SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

JULY 1981

The July 1981 survey is the 154th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

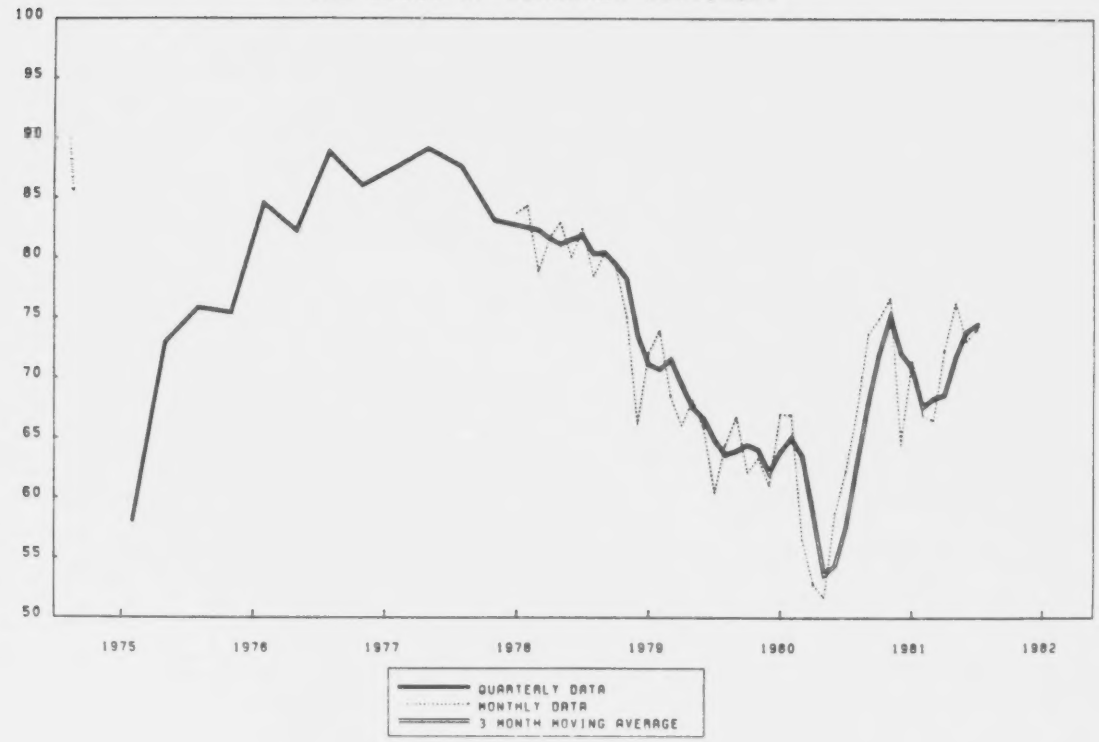


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

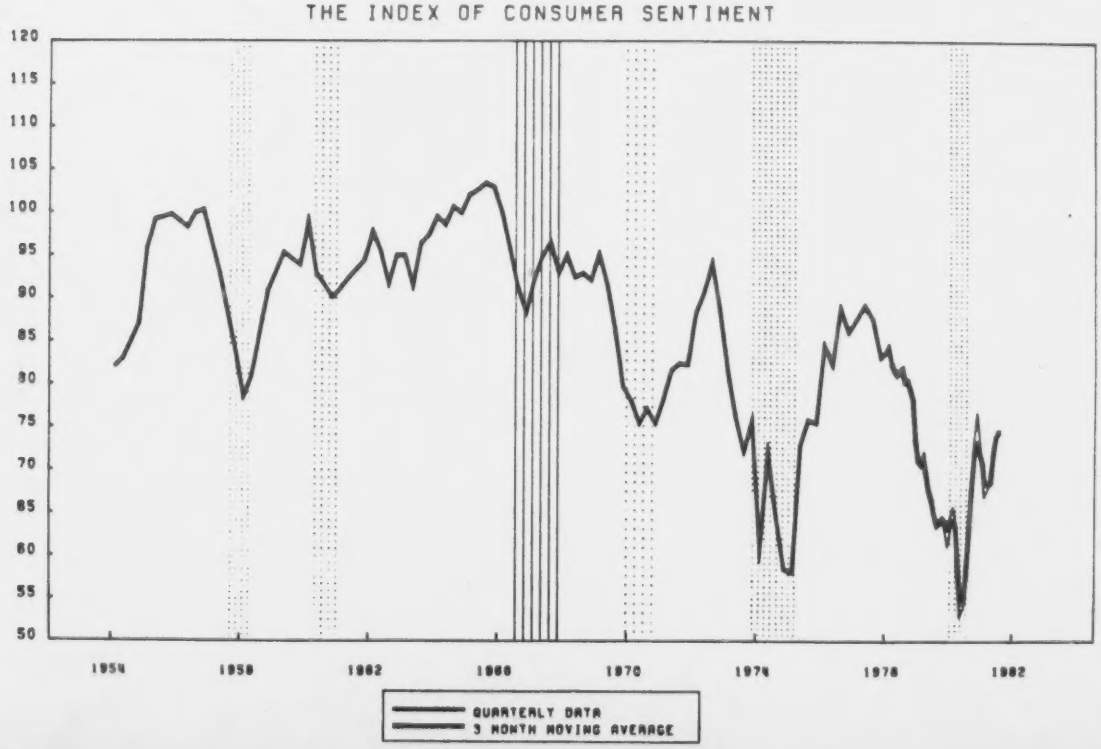


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
July 1978	82.4	91.7	92.4
August 1978	78.4	85.1	85.4
September 1978	80.4	87.2	87.2
October 1978	79.3	88.1	89.1
November 1978	75.0	81.0	83.0
December 1978	66.1	73.8	76.8
January 1979	72.1	83.7	84.8
February 1979	73.9	84.3	86.8
March 1979	68.4	75.3	73.6
April 1979	66.0	73.7	77.0
May 1979	68.1	73.5	76.7
June 1979	65.8	71.8	72.9
July 1979	60.4	67.2	68.0
August 1979	64.5	70.0	71.3
September 1979	66.7	71.6	74.4
October 1979	62.1	65.6	65.5
November 1979	63.3	68.3	69.9
December 1979	61.0	66.2	73.2
January 1980	67.0	70.8	70.9
February 1980	66.9	70.8	73.5
March 1980	56.5	62.3	64.5
April 1980	52.7	54.2	57.2
May 1980	51.7	55.2	53.3
June 1980	58.7	61.6	63.7
July 1980	62.3	67.6	67.3
August 1980	67.3	70.9	74.2
September 1980	73.7	78.1	78.5
October 1980	75.0	76.3	78.7
November 1980	76.7	82.7	87.5
December 1980	64.5	66.9	68.6
January 1981	71.4	74.8	77.1
February 1981	66.9	74.2	77.5
March 1981	66.5	72.1	73.7
April 1981	72.4	77.1	78.0
May 1981	76.3	80.8	85.0
June 1981	73.1	81.2	82.9
July 1981	74.1	80.8	82.1

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

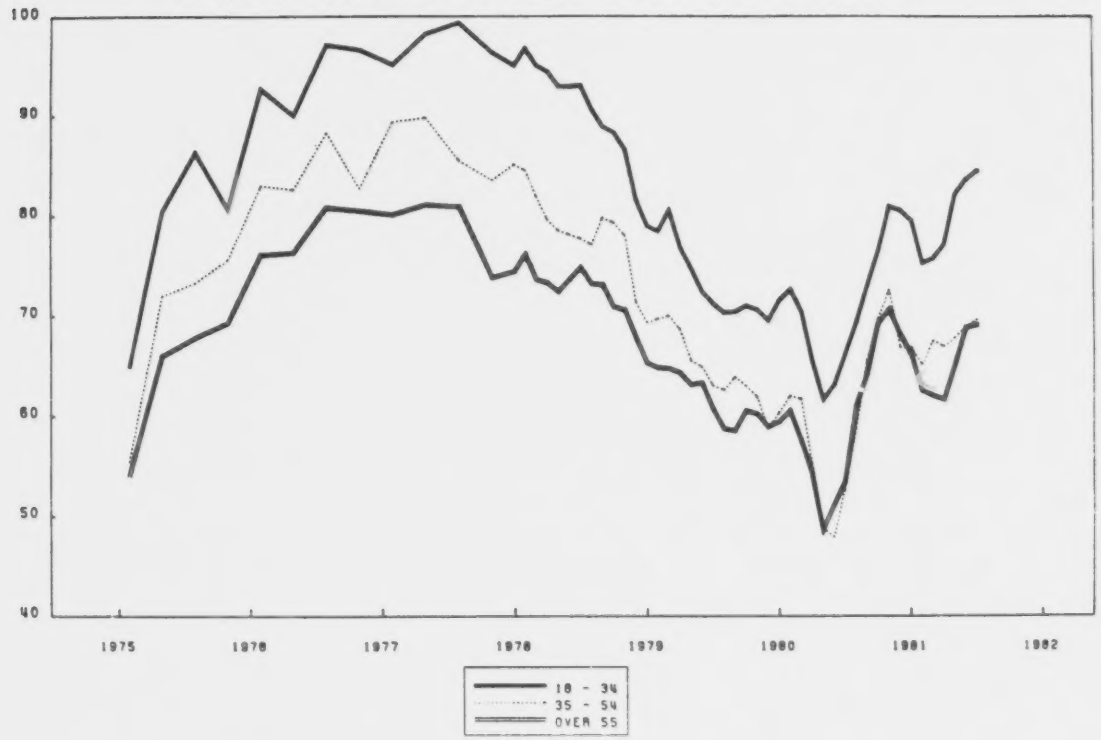


CHART 2B

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

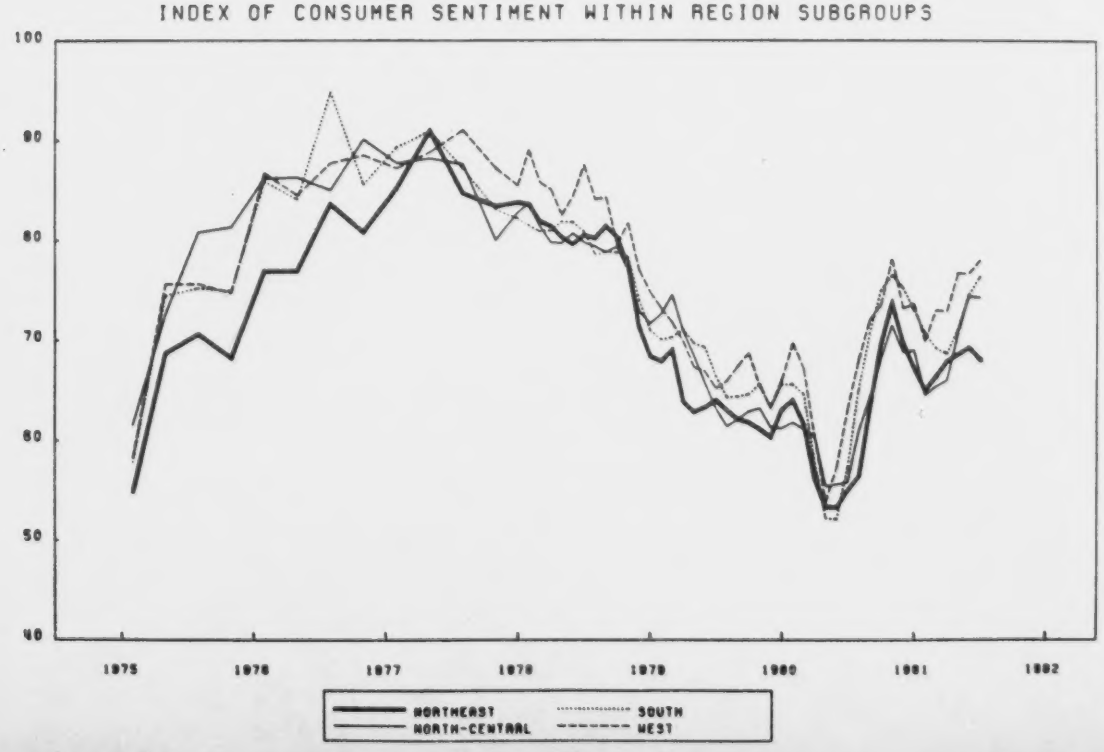


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
July	1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August	1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September	1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September	1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October	1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November	1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December	1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January	1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February	1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March	1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4
April	1981	72.6	72.7	71.0	74.2	81.5	68.3	66.9
May	1981	66.8	76.6	77.5	82.2	87.7	71.2	70.0
June	1981	68.5	74.0	75.2	73.8	81.7	67.0	69.6
July	1981	68.9	72.2	76.5	78.1	84.2	70.6	67.6

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

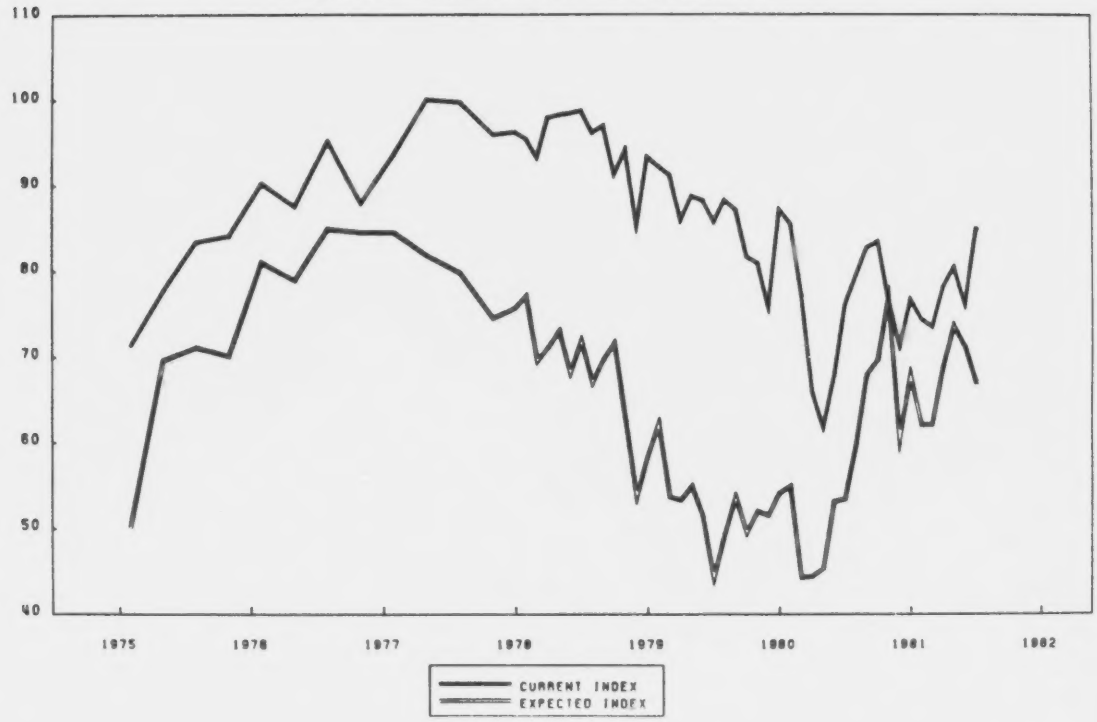


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

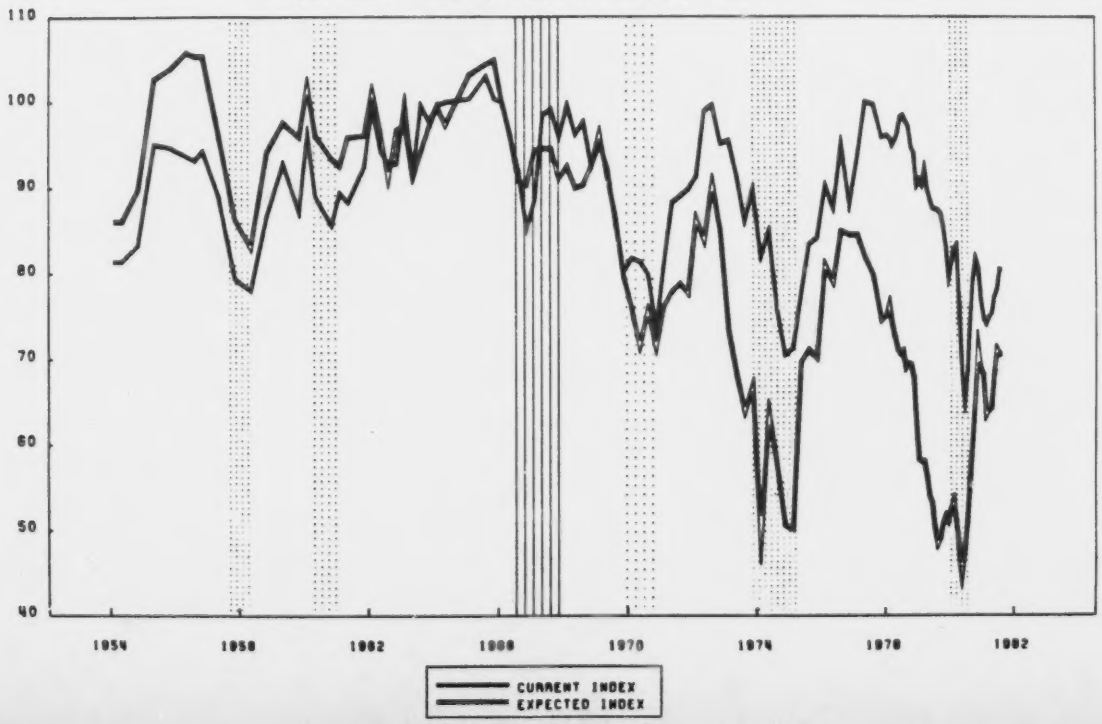


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
July 1978	108	111	105	69	146	98.7	72.0
August 1978	101	112	82	70	145	96.1	67.0
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1
March 1981	86	104	68	72	101	73.5	62.1
April 1981	79	111	83	78	121	78.1	68.8
May 1981	95	118	92	81	111	80.4	73.6
June 1981	89	113	91	78	104	76.1	71.2
July 1981	99	114	81	70	118	84.9	67.1

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

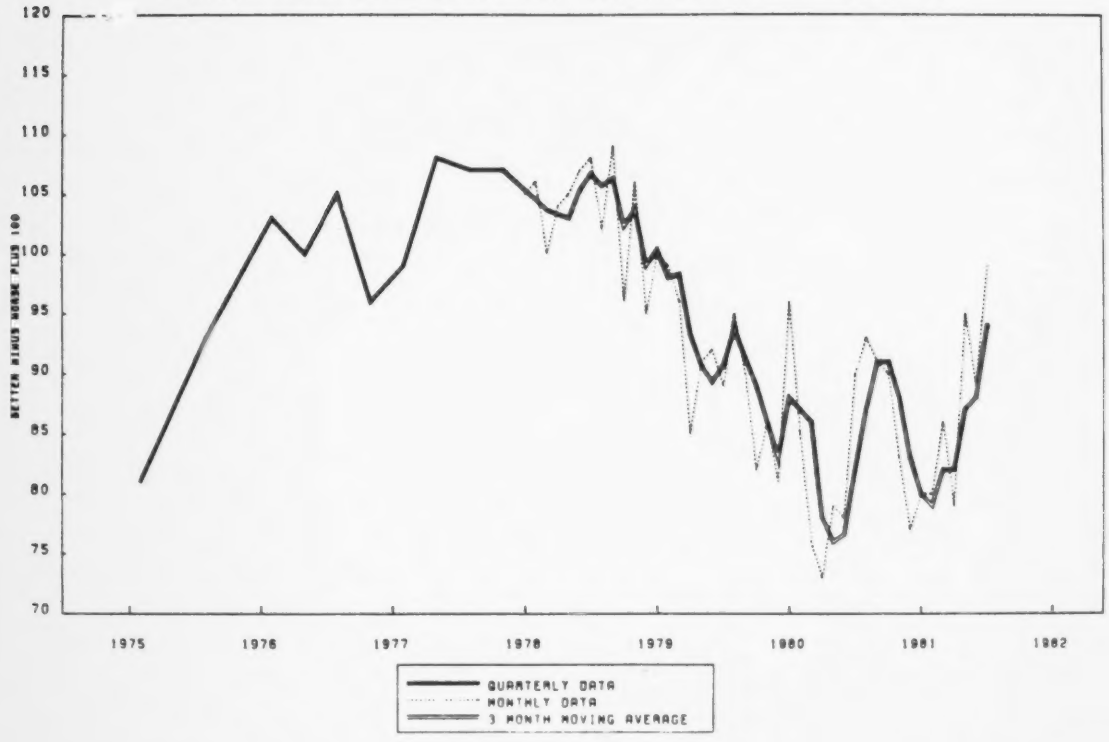


CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

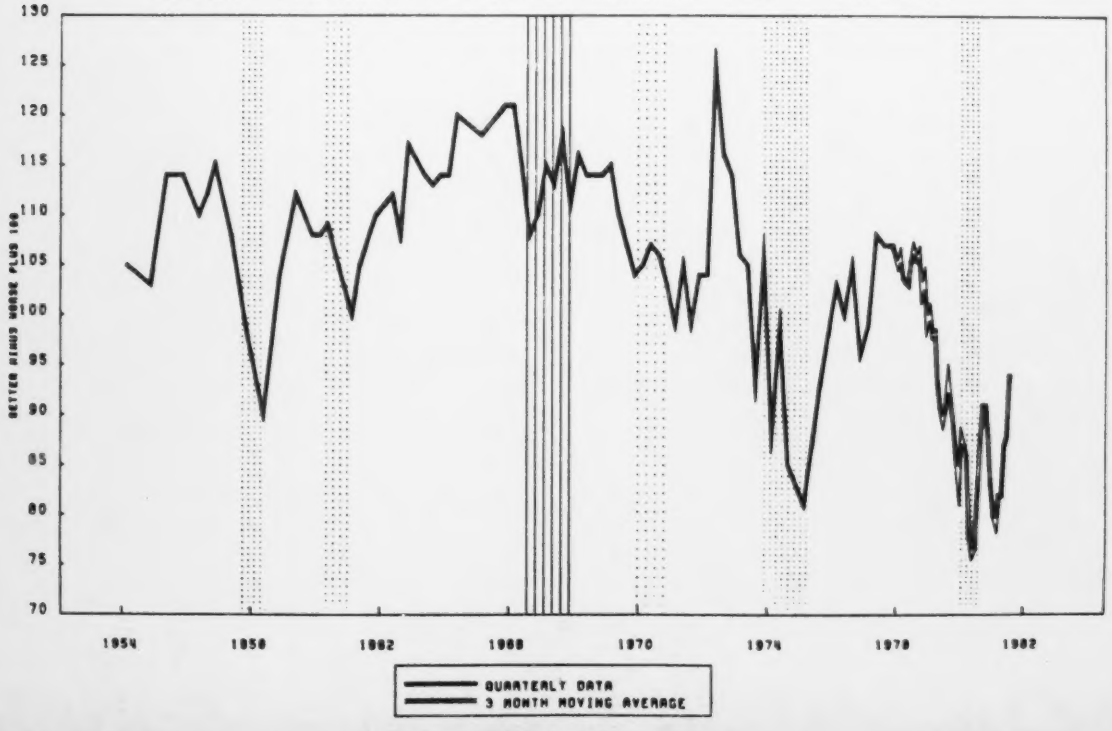


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
BETTER OFF	30%	33%	31%	30%	28%	25%	25%	27%	29%	25%	31%	29%	34%
SAME	29	26	27	30	26	26	30	26	28	28	32	31	30
WORSE OFF	40	40	40	40	45	48	45	47	43	46	36	40	35
DK,NA	1	1	2	*	1	1	*	*	*	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

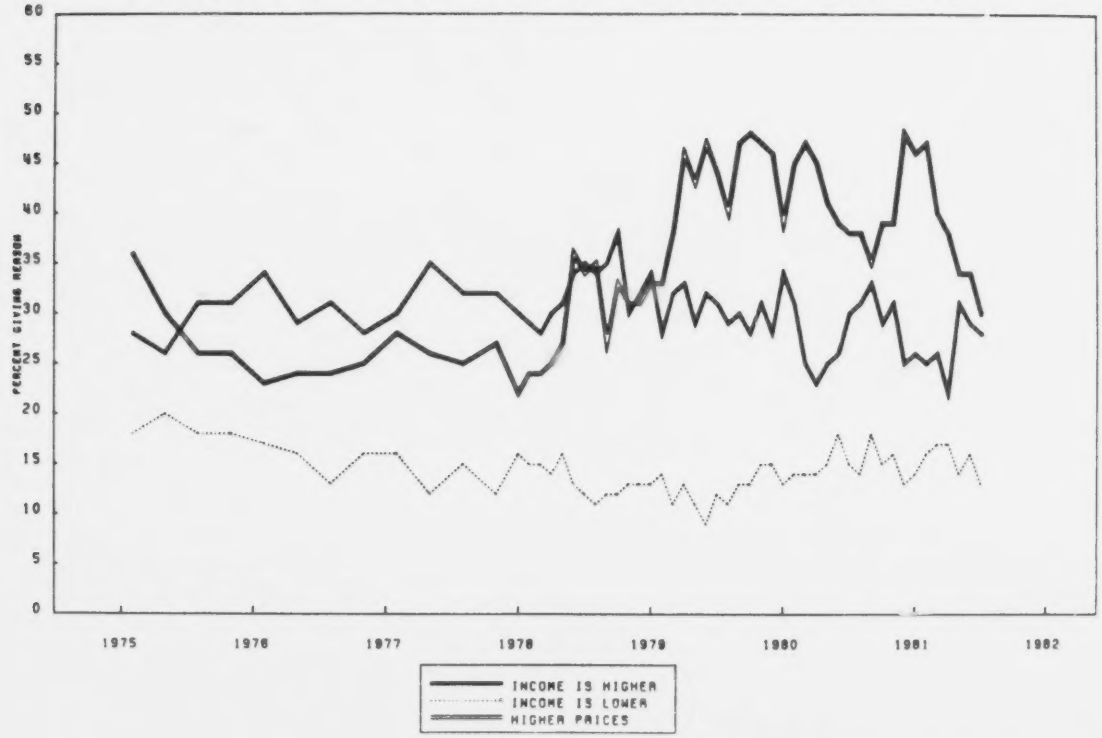


CHART 5 - HISTORICAL SERIES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

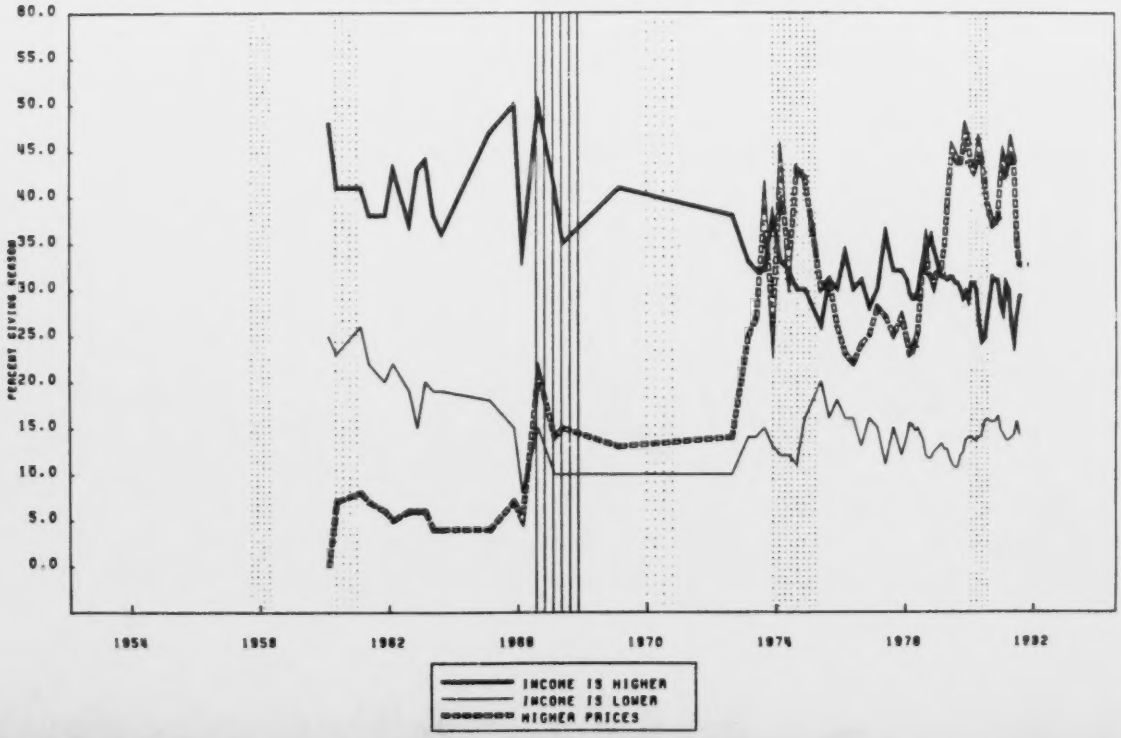


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	30%	31%	33%	29%	31%	25%	26%	25%	26%	22%	31%	29%	28%
WORSE OFF THAN YEAR AGO:													
Income is lower	15	14	18	15	16	13	14	16	17	17	14	16	13
Higher prices	38	38	35	39	39	48	46	47	40	38	34	34	30

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

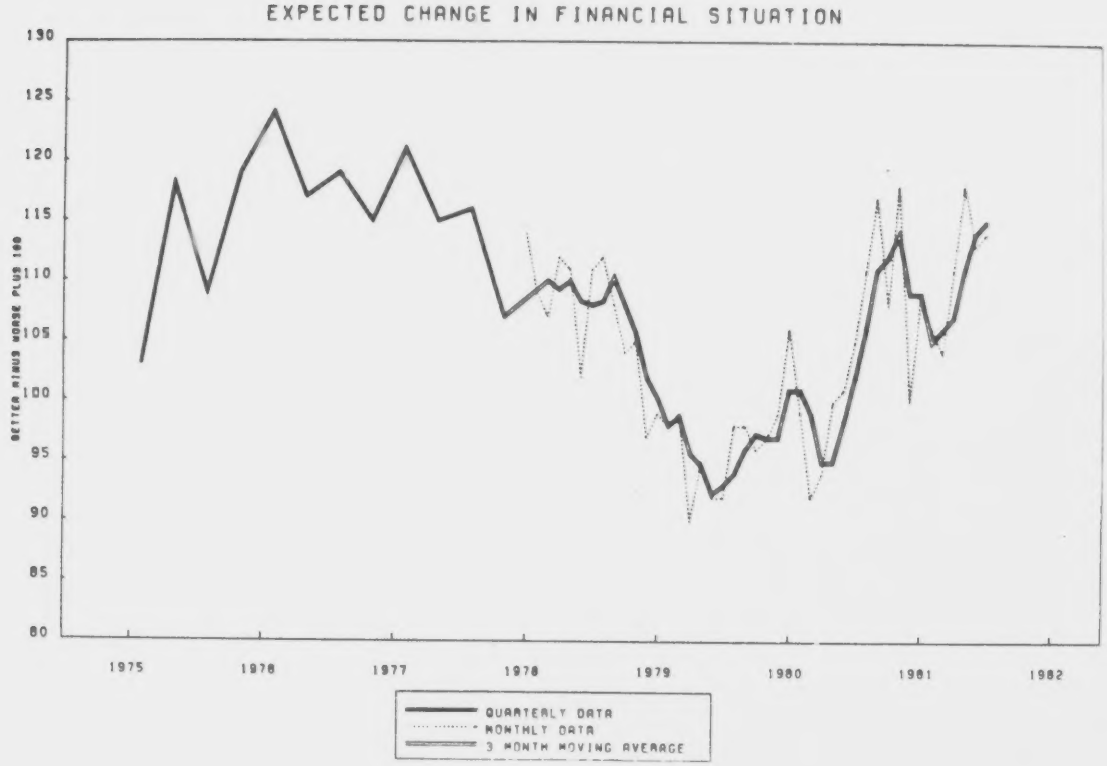


CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

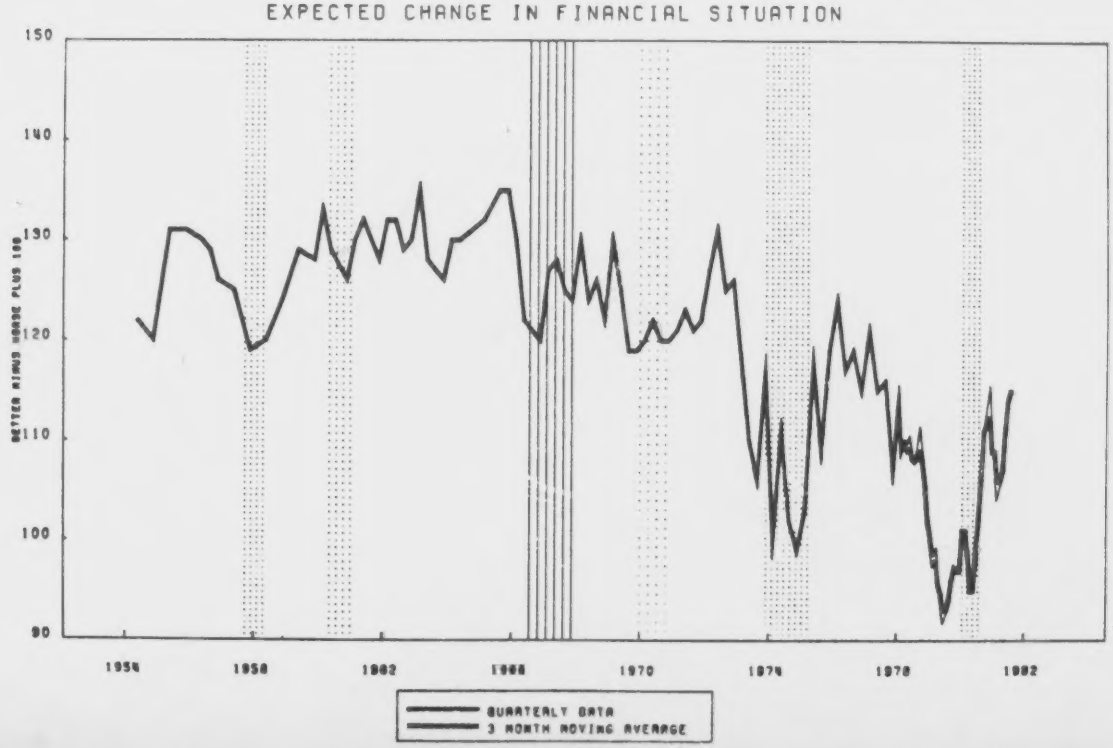


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
BETTER OFF	26%	30%	34%	25%	35%	25%	27%	26%	28%	30%	34%	32%	29%
SAME	48	48	45	50	42	45	48	48	45	47	48	44	52
WORSE OFF	21	19	17	17	17	25	18	20	24	19	16	19	15
DK,NA	5	3	4	8	6	5	7	6	3	4	2	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

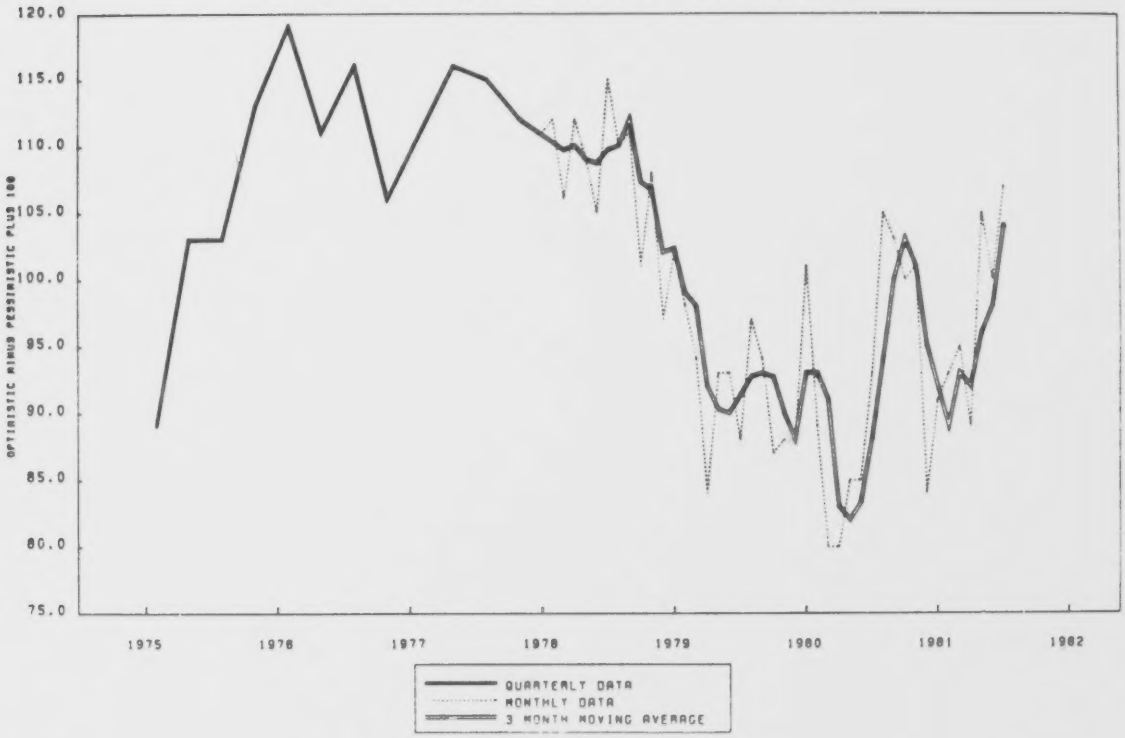


CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION

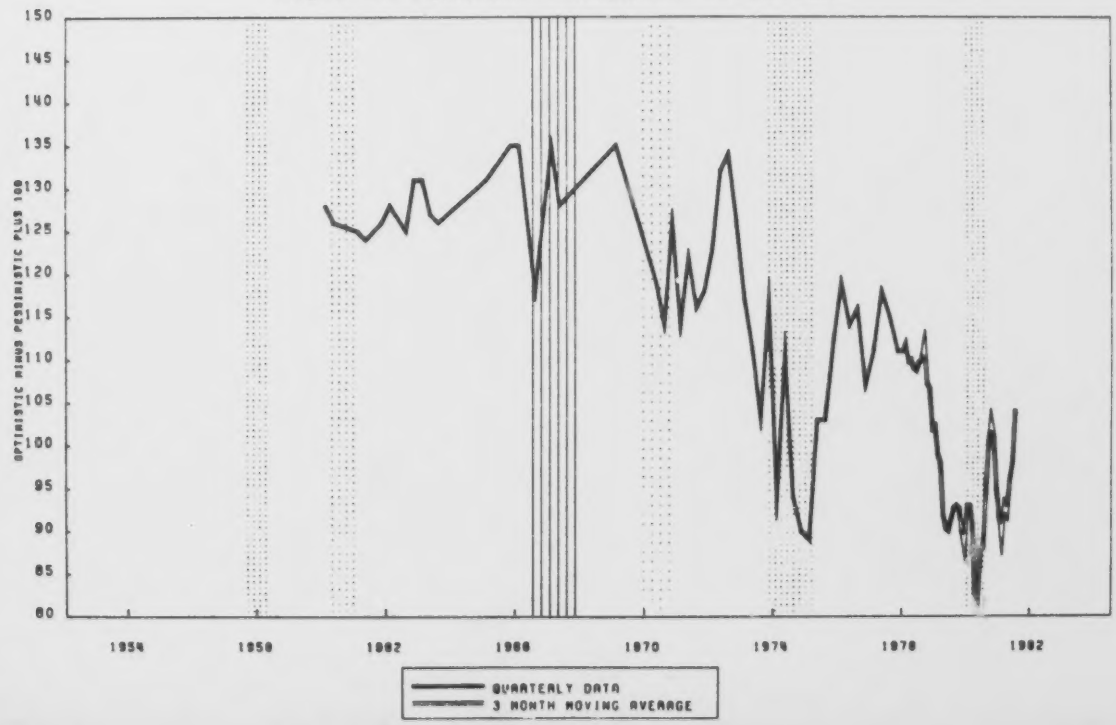


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	12%	12%	14%	12%	13%	9%	10%	8%	12%	11%	15%	13%	15%
Intermittant increase (b)	19	22	19	20	19	18	17	20	19	16	23	22	22
Remain unchanged (c)	14	16	15	18	13	12	16	15	15	14	15	14	19
Intermittant decline (d)	28	17	21	21	22	28	25	23	22	27	25	24	21
Continuous decline (e)	10	12	9	11	9	15	11	12	14	11	8	11	9
Mixed change (f)	11	18	16	10	18	13	14	16	14	15	12	11	9
DK,NA	6	3	6	8	6	5	7	6	4	6	2	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

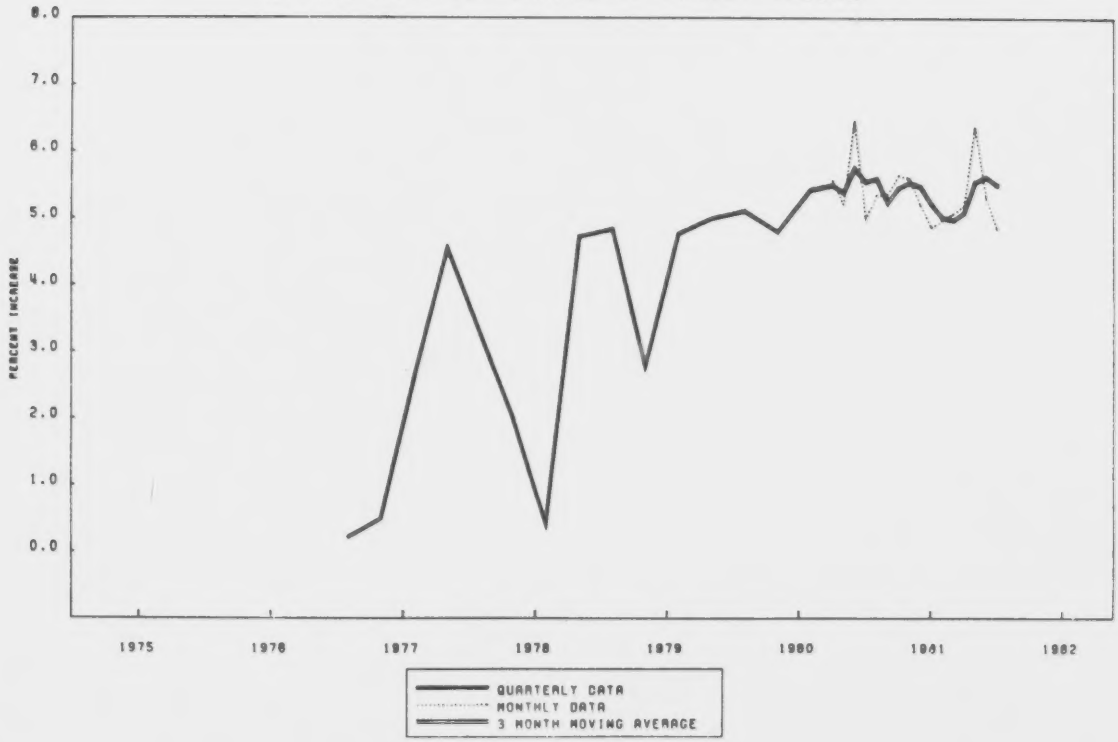


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
EXPECT INCREASE:													
1-4%	5%	6%	7%	8%	5%	8%	6%	8%	7%	6%	6%	6%	7%
5%	8	10	7	7	10	7	8	7	9	8	10	10	7
6-9%	11	15	16	15	10	12	10	10	11	11	11	10	10
10-24%	20	20	21	21	26	22	21	20	21	22	28	25	21
25% or more	5	6	5	7	7	7	6	7	7	7	8	7	10
DK how much up	10	9	10	10	8	8	9	9	9	9	7	7	5
EXPECT SAME	21	21	21	21	24	22	24	24	21	25	19	21	24
EXPECT DOWN	18	11	10	9	7	11	12	11	12	10	8	11	13
DK,NA	2	2	3	2	3	3	4	4	3	2	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

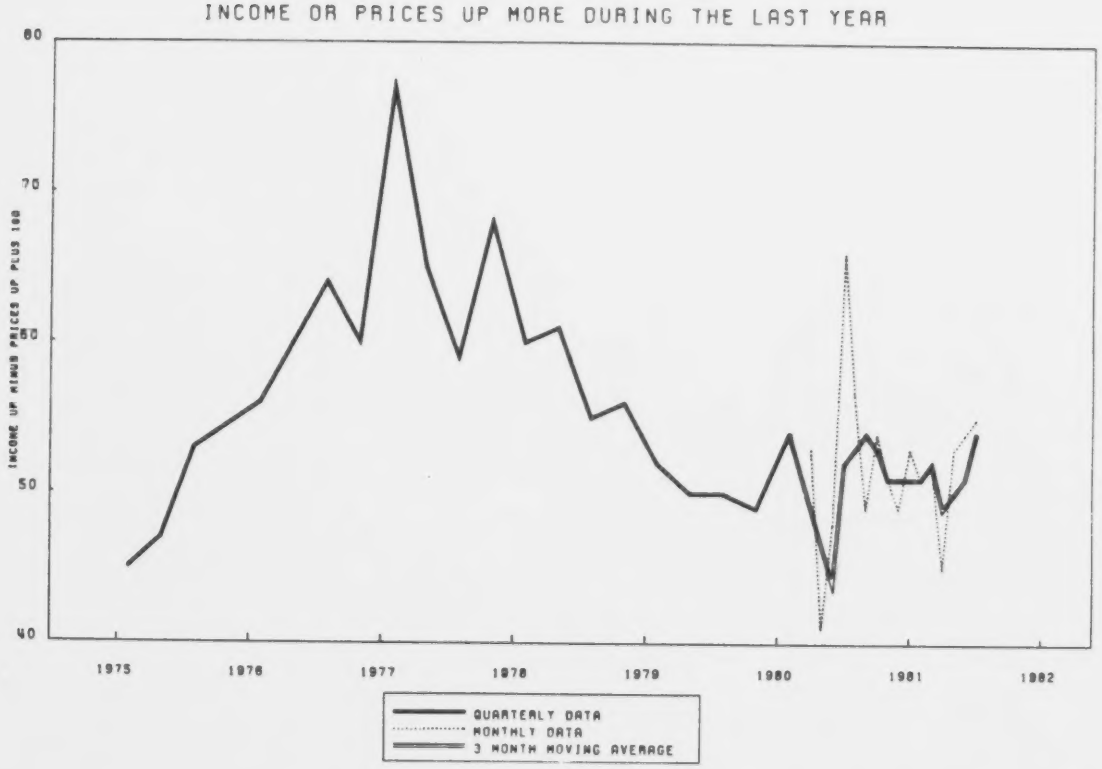


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
INCOME UP MORE	12%	13%	12%	13%	10%	11%	13%	10%	13%	9%	12%	13%	13%
INCOME UP SAME	30	29	24	25	30	24	25	28	24	26	28	26	25
PRICES UP MORE	56	57	63	59	59	62	60	59	61	64	59	59	58
DK,NA	2	1	1	3	1	3	2	3	2	1	1	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

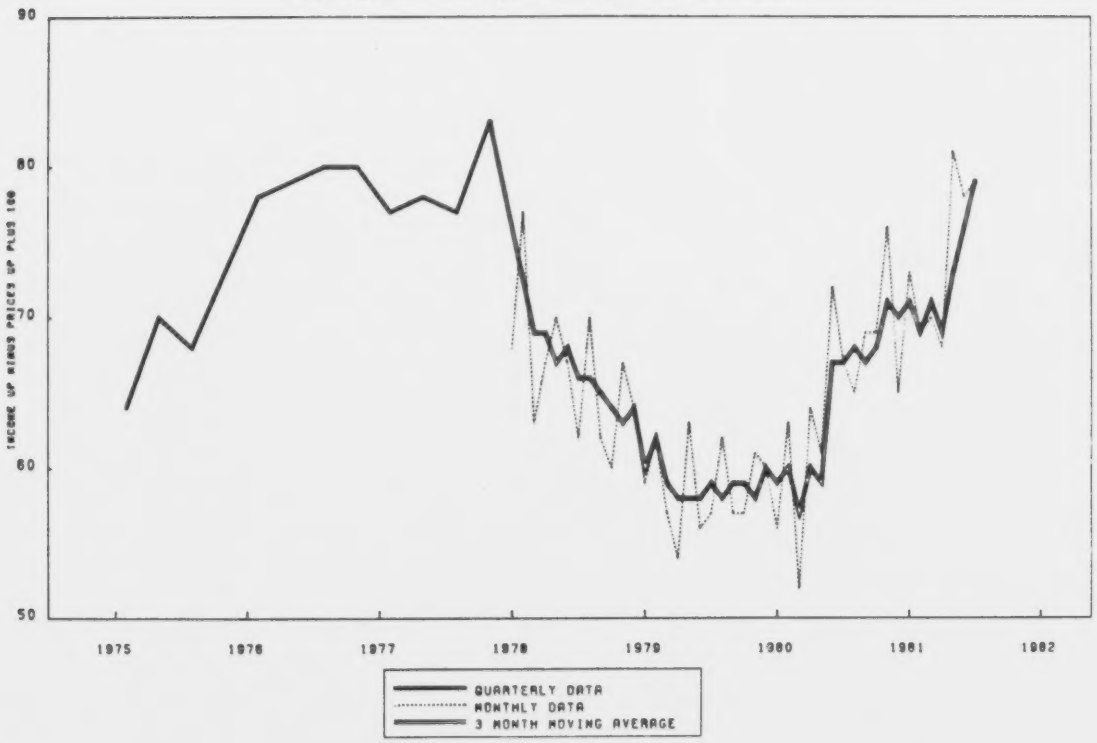


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
INCOME UP MORE	12%	11%	14%	12%	16%	12%	14%	11%	14%	13%	19%	16%	17%
INCOME UP SAME	38	40	38	42	42	36	39	43	38	39	41	43	41
PRICES UP MORE	45	46	45	43	40	47	41	42	44	45	38	38	38
DK,NA	5	3	3	3	2	5	6	4	4	3	2	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES

TREND IN INCOME AND PRICE COMPARISON

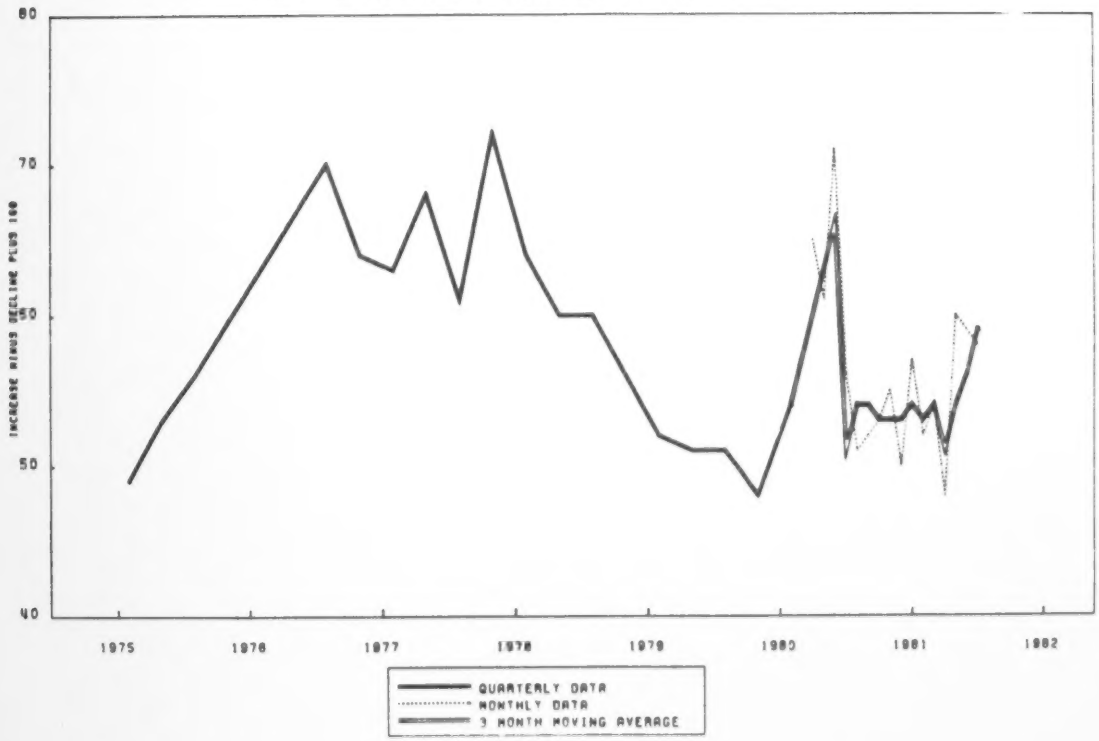


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	5%	3%	5%	6%	6%	5%	6%	4%	6%	4%	6%	6%	8%
Intermittant increase (b)	9	11	9	6	9	7	8	8	9	7	10	10	7
Remain unchanged (c)	17	17	14	18	17	14	17	18	14	17	16	17	16
Intermittant decline (d)	23	22	23	25	27	24	22	25	26	25	25	25	25
Continuous decline (e)	35	37	39	34	33	38	35	35	35	38	31	32	32
Mixed change (f)	5	6	6	7	5	6	6	5	5	6	9	6	7
DK,NA	6	4	4	4	3	6	6	5	5	3	3	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

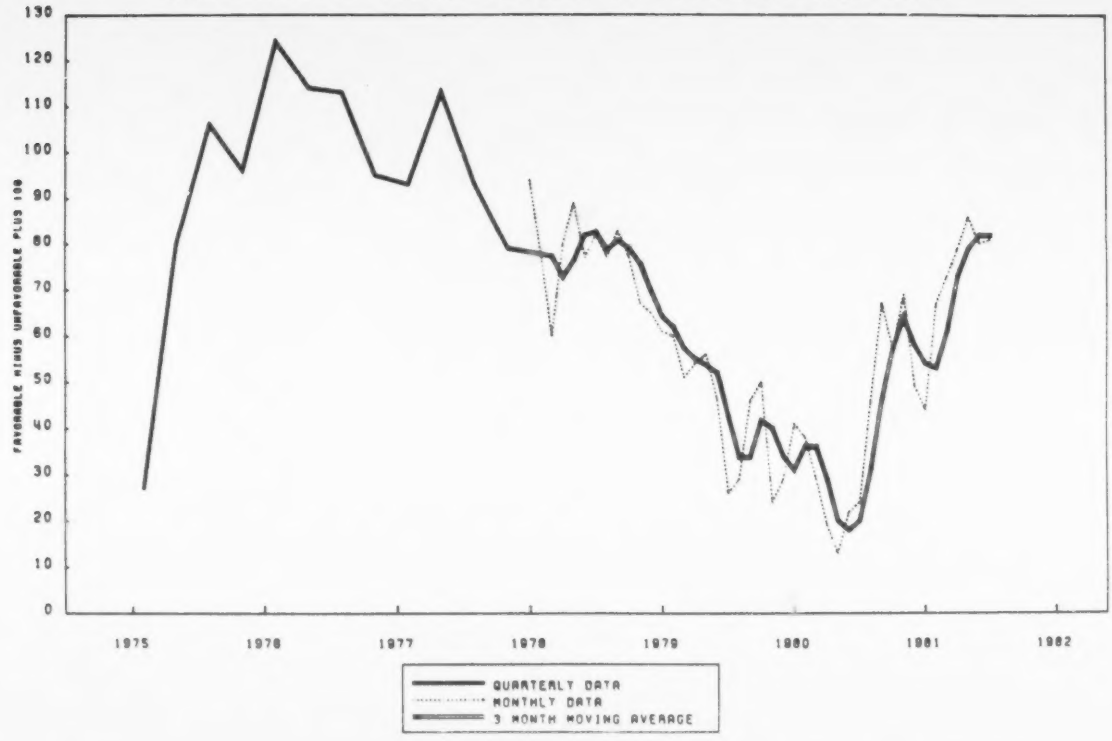


CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

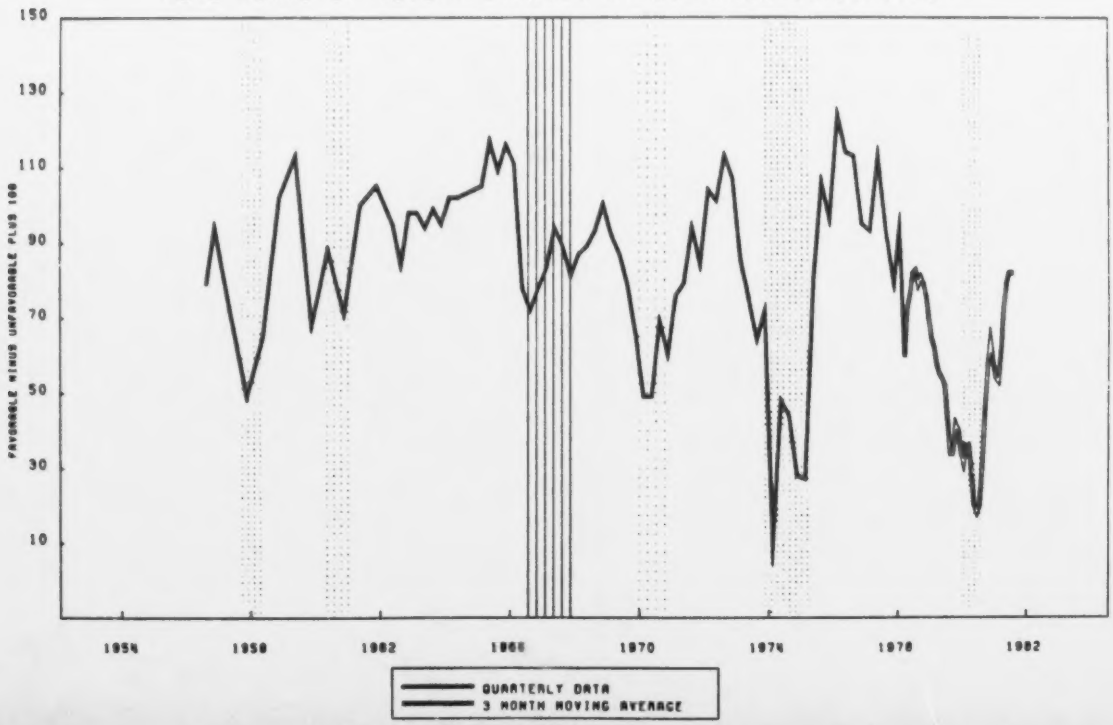


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
FAVORABLE NEWS	19%	24%	30%	29%	27%	17%	19%	23%	30%	28%	31%	24%	27%
UNFAVORABLE NEWS	95	78	63	72	58	68	75	56	57	49	45	44	46
NO MENTIONS	30	34	38	33	47	44	39	46	42	47	47	52	51

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
FAVORABLE NEWS:													
Government; elections	*	1%	2%	1%	7%	4%	4%	9%	9%	6%	4%	6%	4%
Employment	4	7	7	10	7	5	4	5	8	7	8	4	7
Consumer demand high	1	1	3	3	2	1	2	1	1	3	4	1	3
Prices are low	1	*	1	2	1	*	*	1	1	2	2	3	4
Credit is easy	7	8	7	3	1	*	3	3	4	5	2	2	2
UNFAVORABLE NEWS:													
Government; elections	4	3	1	4	3	2	4	5	7	7	4	4	5
Unemployment	43	31	25	26	21	18	19	15	19	19	14	16	16
Consumer demand low	12	12	8	8	8	11	14	9	10	6	6	3	4
Prices are high	12	13	10	10	9	8	11	10	6	6	4	5	5
Credit is tight	5	5	8	12	9	19	14	7	4	4	7	9	7
Energy crisis	1	1	*	1	*	1	1	*	1	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

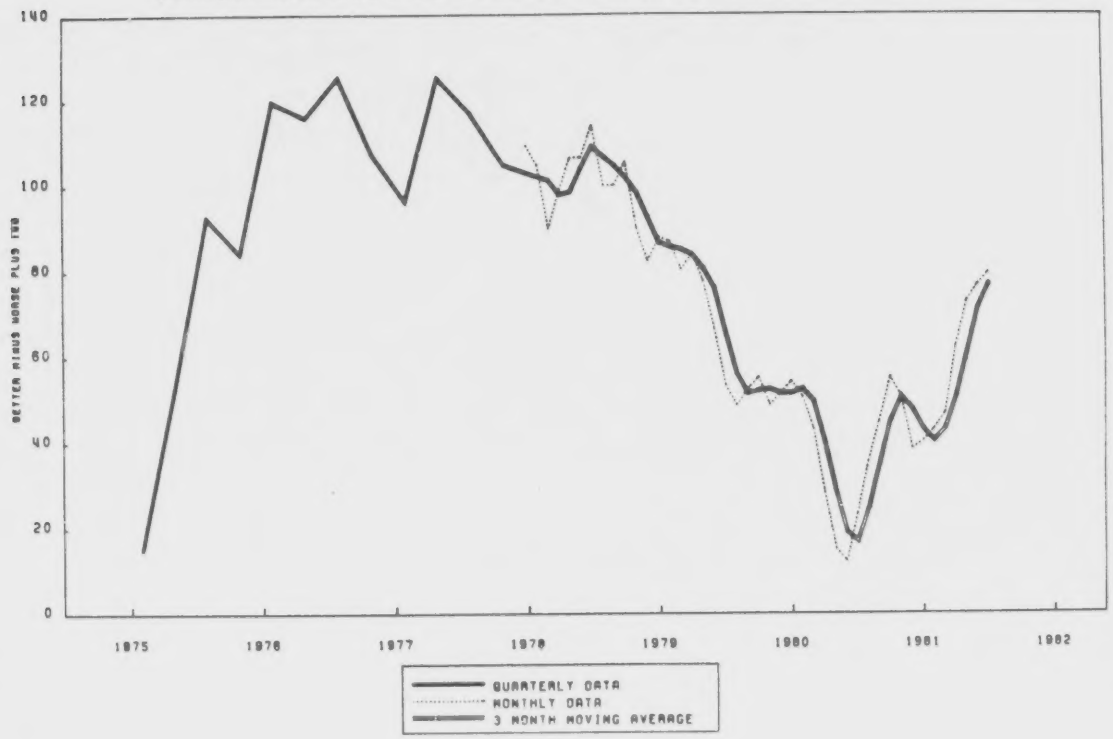


CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

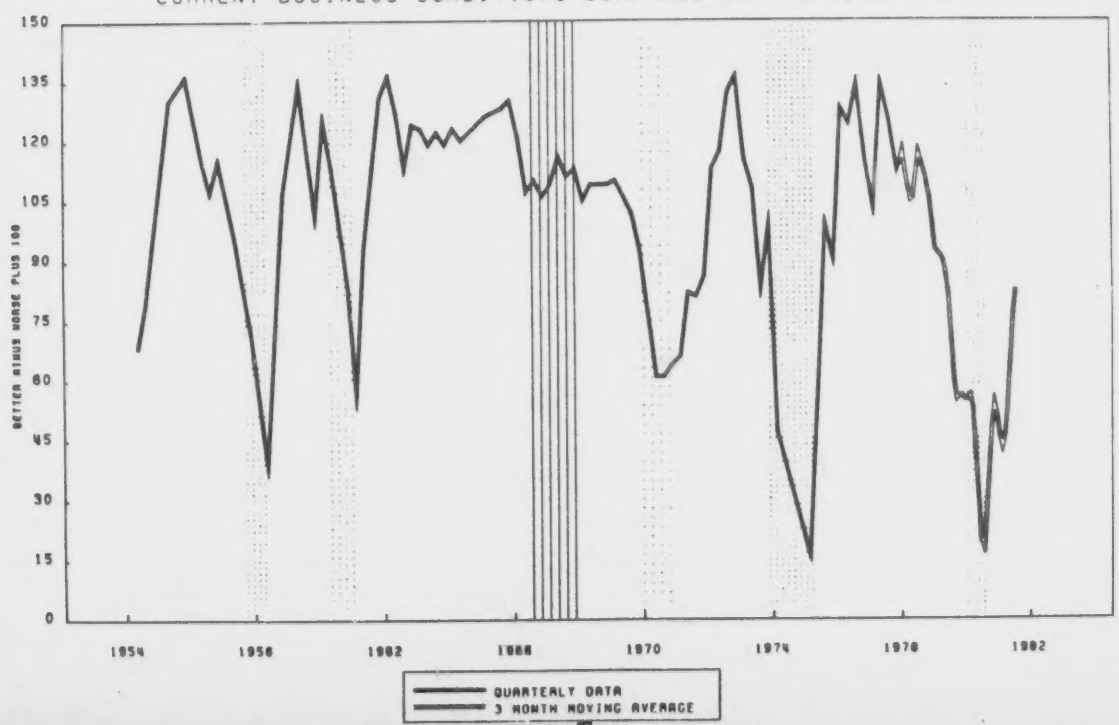


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
BETTER NOW	10%	15%	18%	23%	21%	13%	14%	14%	17%	24%	30%	31%	32%
SAME	4	7	10	10	10	12	13	15	14	17	17	18	18
WORSE NOW	85	77	70	64	67	72	71	68	67	57	52	49	47
DK,NA	1	1	2	3	2	3	2	3	2	2	1	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

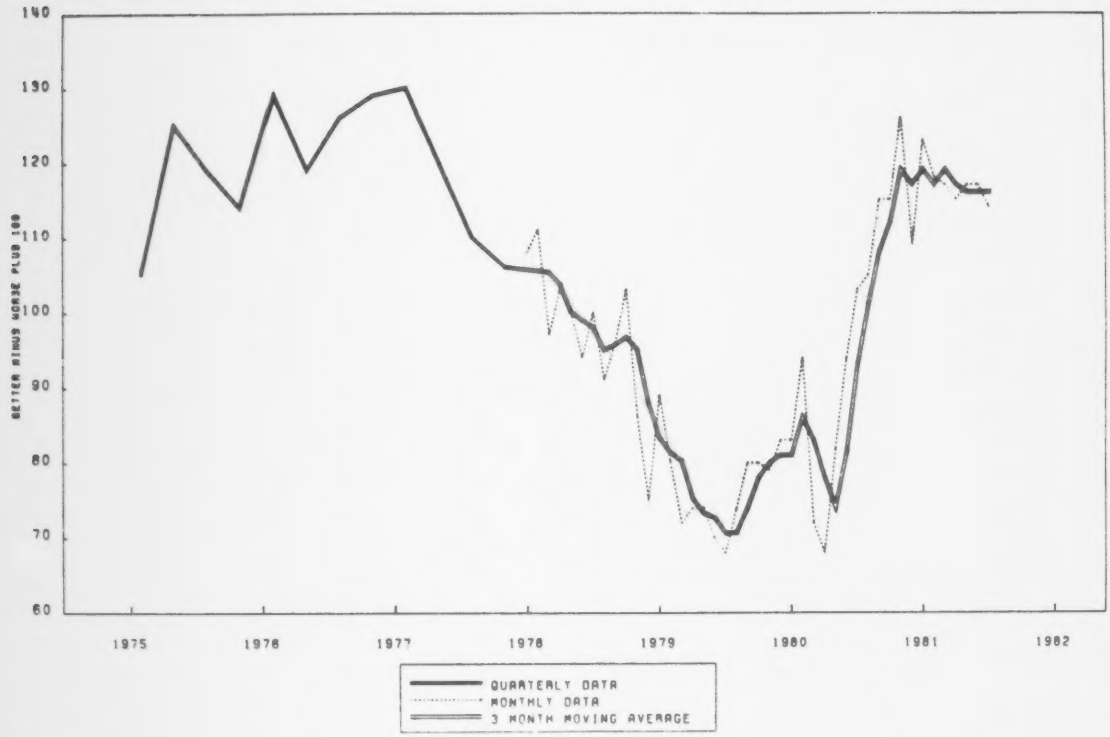


CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

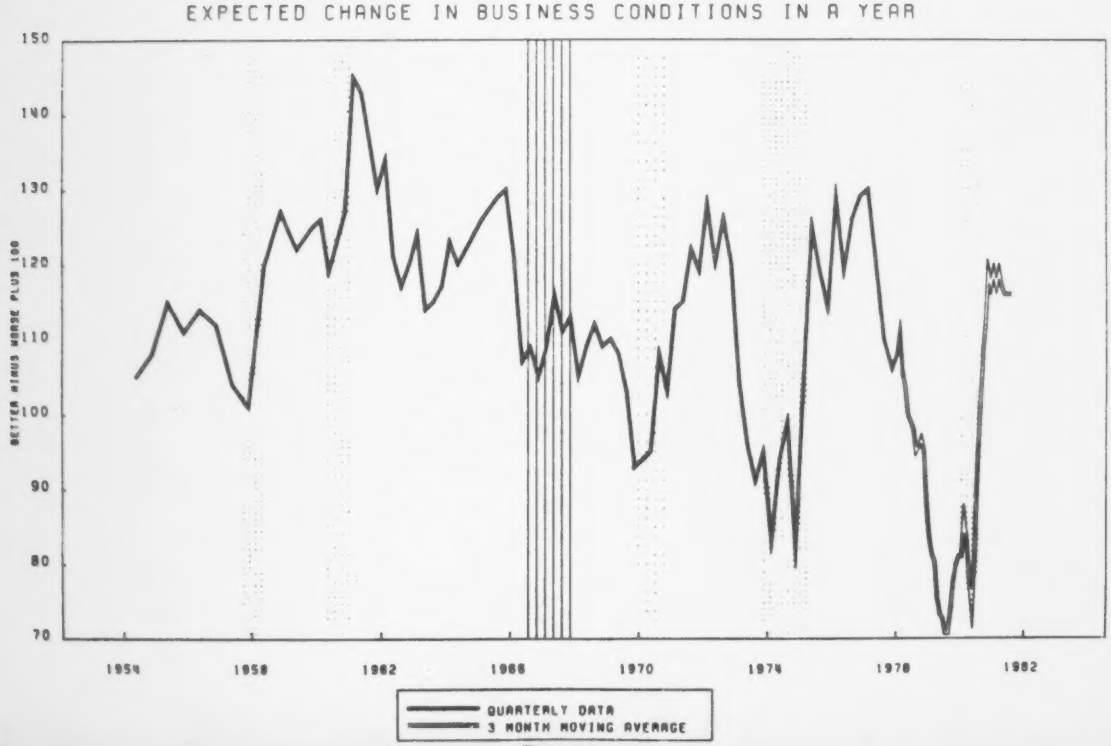


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
BETTER	28%	28%	32%	33%	40%	29%	39%	34%	38%	36%	36%	36%	34%
SAME	43	44	47	44	42	46	42	46	38	41	44	42	44
WORSE	25	23	17	18	14	20	16	16	21	21	19	19	20
DK,NA	4	5	4	5	4	5	3	4	3	2	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
FAVORABLE REASONS:													
Government; elections	15%	14%	15%	16%	34%	27%	35%	32%	32%	31%	25%	25%	21%
Employment	4	4	5	5	5	3	4	2	4	4	4	3	3
Higher consumer demand	2	3	4	5	3	2	2	3	2	2	2	3	2
Lower prices	1	1	3	3	2	3	2	2	3	2	3	2	4
Easier credit	2	3	3	2	3	2	4	2	2	2	3	4	3
UNFAVORABLE REASONS:													
Government; elections	12	7	7	11	7	8	7	7	9	8	8	12	11
Unemployment	10	7	6	4	5	8	7	6	6	6	5	8	9
Lower consumer demand	6	7	3	2	2	6	5	4	4	5	4	4	5
Higher prices	9	14	10	10	8	10	8	12	8	10	6	8	7
Tighter credit	2	2	2	2	2	7	4	2	2	2	3	3	5
Energy crisis	1	1	1	1	1	*	1	1	1	*	*	1	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

CHART 17 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

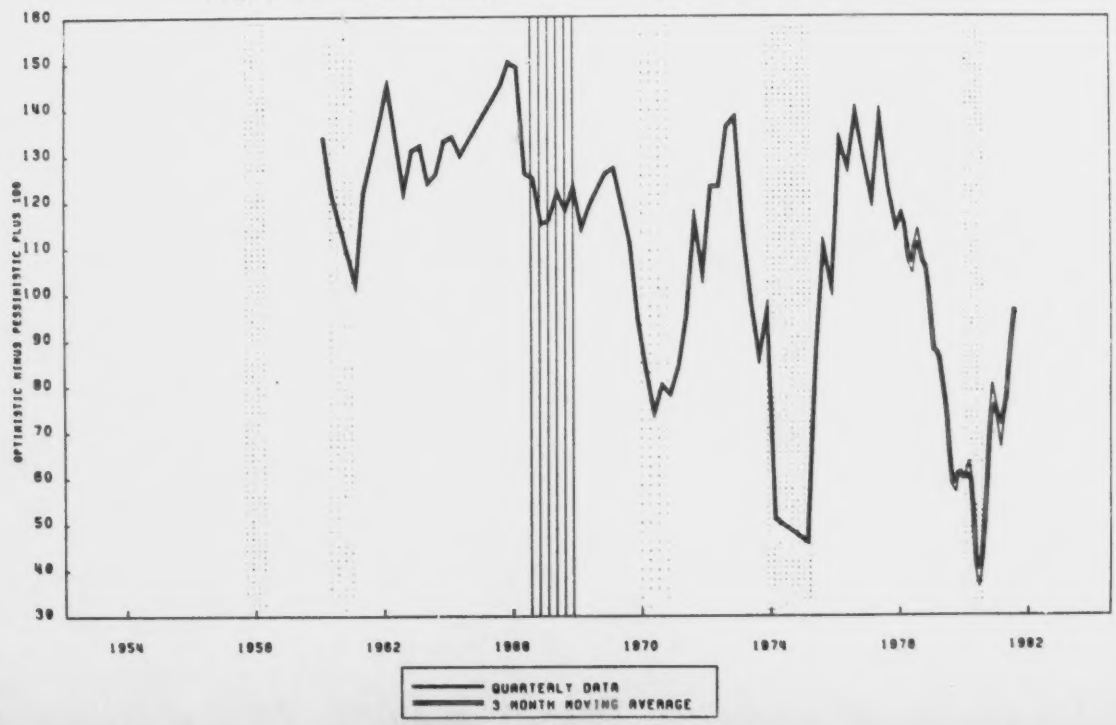


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
TREND:													
Continuous increase (a)	2%	5%	9%	9%	11%	5%	6%	7%	9%	15%	14%	19%	15%
Intermittant increase (b)	7	9	10	13	14	10	11	12	12	13	17	16	21
Remain unchanged (c)	1	3	6	5	4	5	7	7	6	8	10	8	8
Intermittant decline (d)	37	35	33	28	29	36	30	33	27	29	24	25	24
Continuous decline (e)	23	19	14	14	13	16	14	14	17	16	12	15	14
Mixed change (f)	26	23	23	23	24	21	27	21	25	16	20	12	13
DK,NA	4	6	5	8	5	7	5	6	4	3	3	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

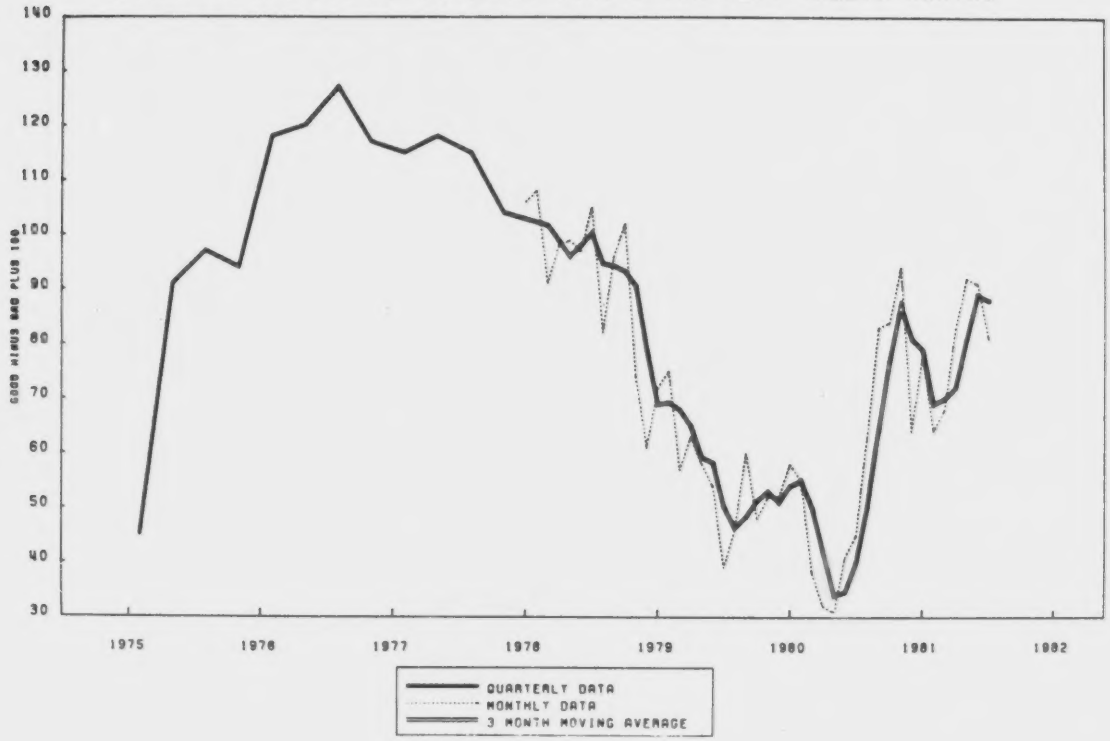


CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

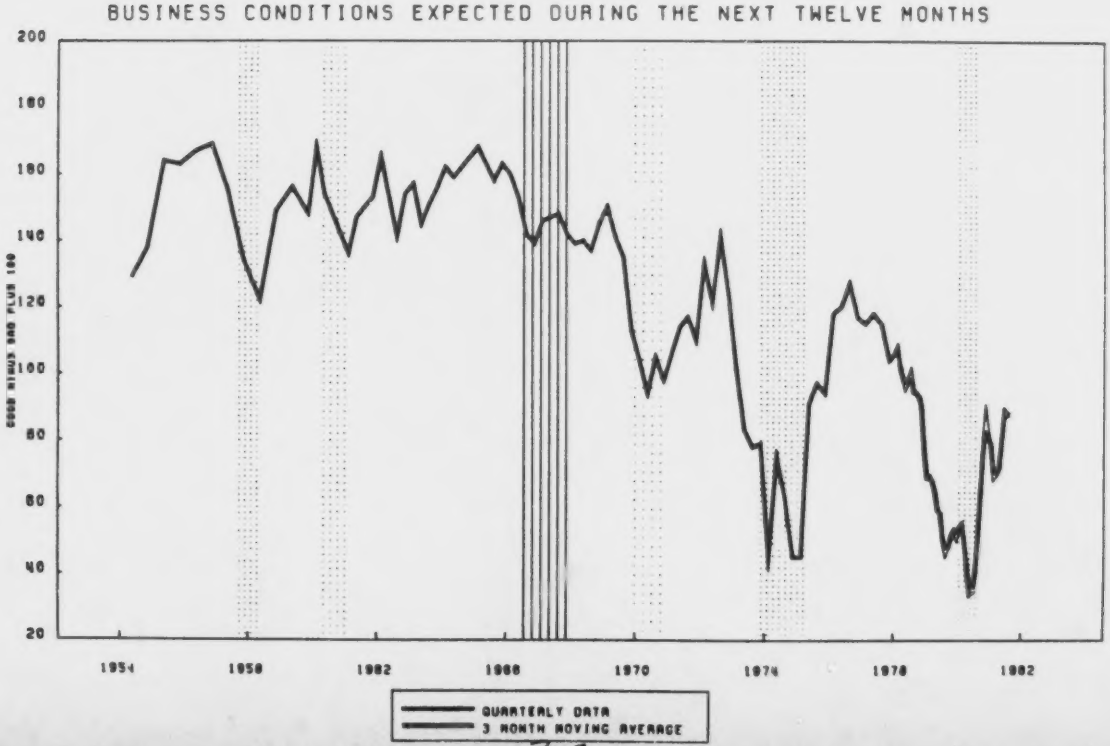


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIMES	19%	25%	35%	33%	39%	26%	31%	26%	27%	36%	41%	41%	35%
UNCERTAIN; GOOD & BAD	1	2	2	2	2	1	2	2	3	3	3	2	2
BAD TIMES	74	62	52	49	45	62	53	62	59	53	49	50	54
DON'T KNOW	4	7	7	8	8	7	10	6	6	6	5	5	5
NOT ASCERTAINED	2	4	4	8	6	4	4	4	5	2	2	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

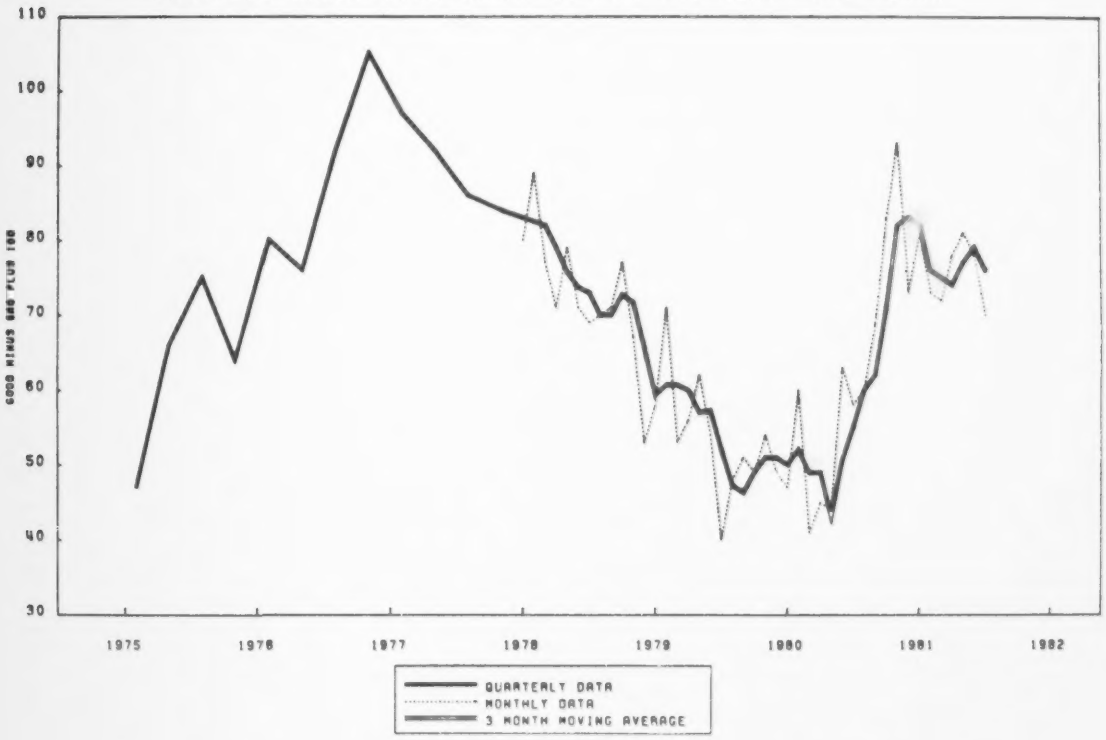


CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

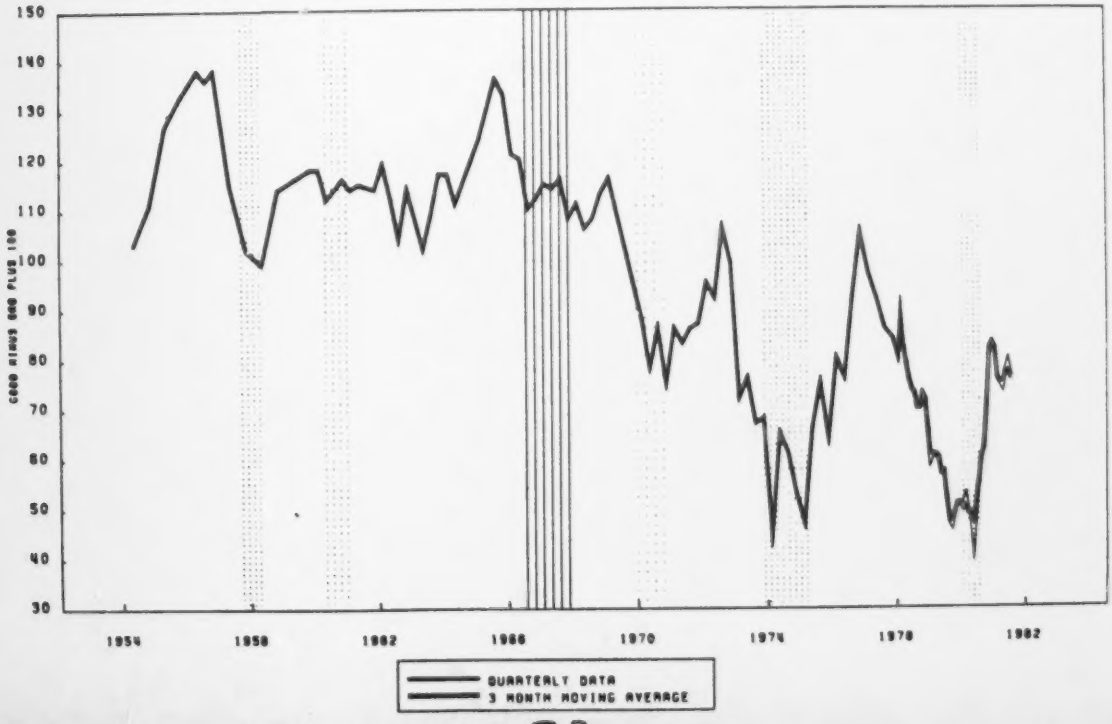


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIMES	19%	19%	25%	27%	36%	25%	30%	28%	27%	30%	33%	33%	27%
UNCERTAIN; GOOD & BAD	13	16	14	19	15	16	15	12	14	13	11	9	11
BAD TIMES	61	59	56	44	43	52	49	55	55	52	52	55	57
NOT ASCERTAINED	7	6	5	10	6	7	6	5	4	5	4	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

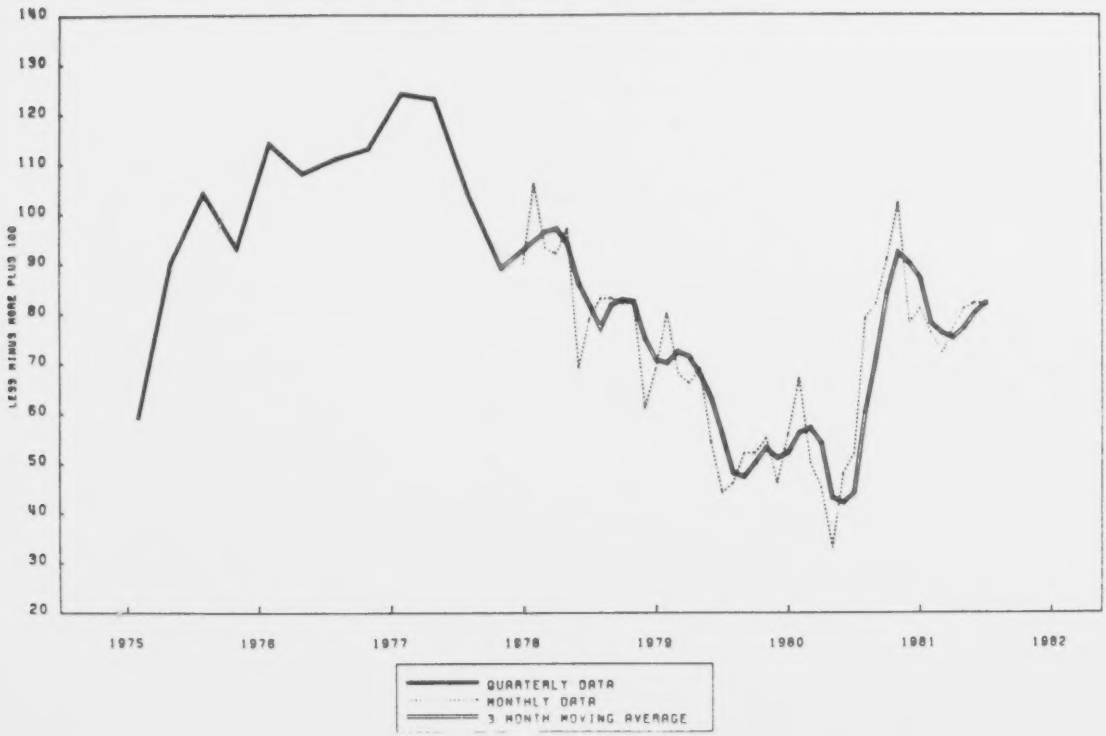


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

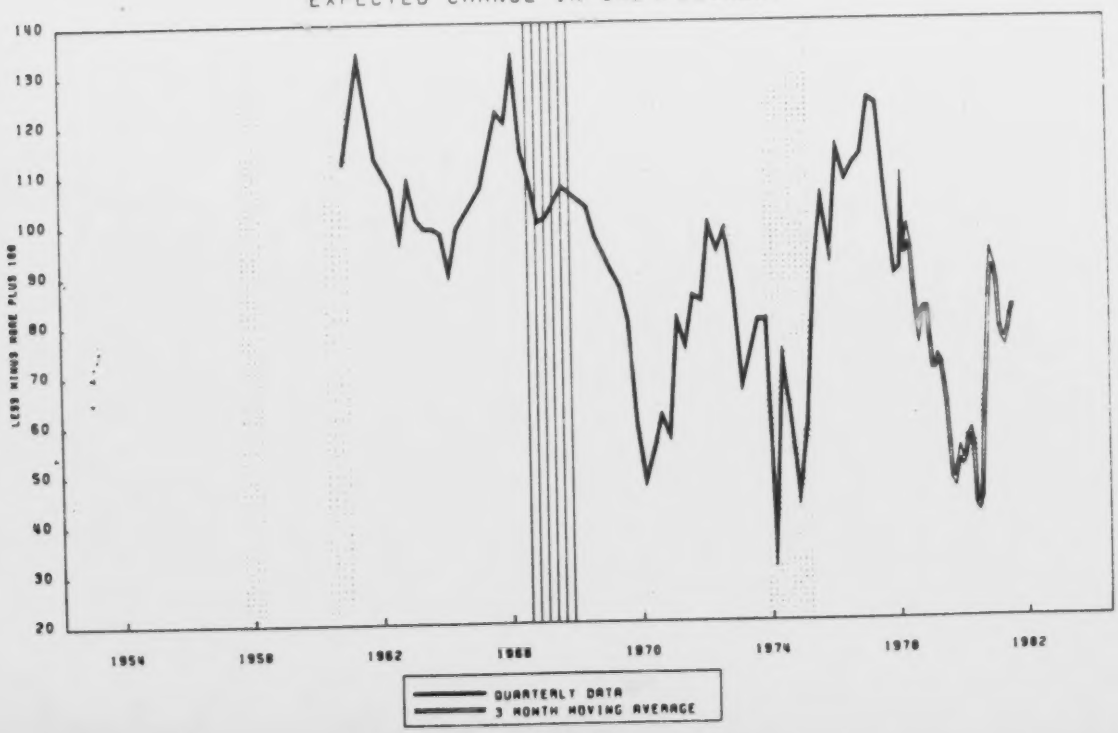


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
LESS	11%	19%	22%	21%	26%	17%	19%	16%	13%	17%	17%	18%	18%
SAME	30	38	36	46	47	41	41	42	43	41	46	44	44
MORE	59	40	40	30	24	39	38	40	41	40	36	36	36
DK,NA	*	3	2	3	3	3	2	2	3	2	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

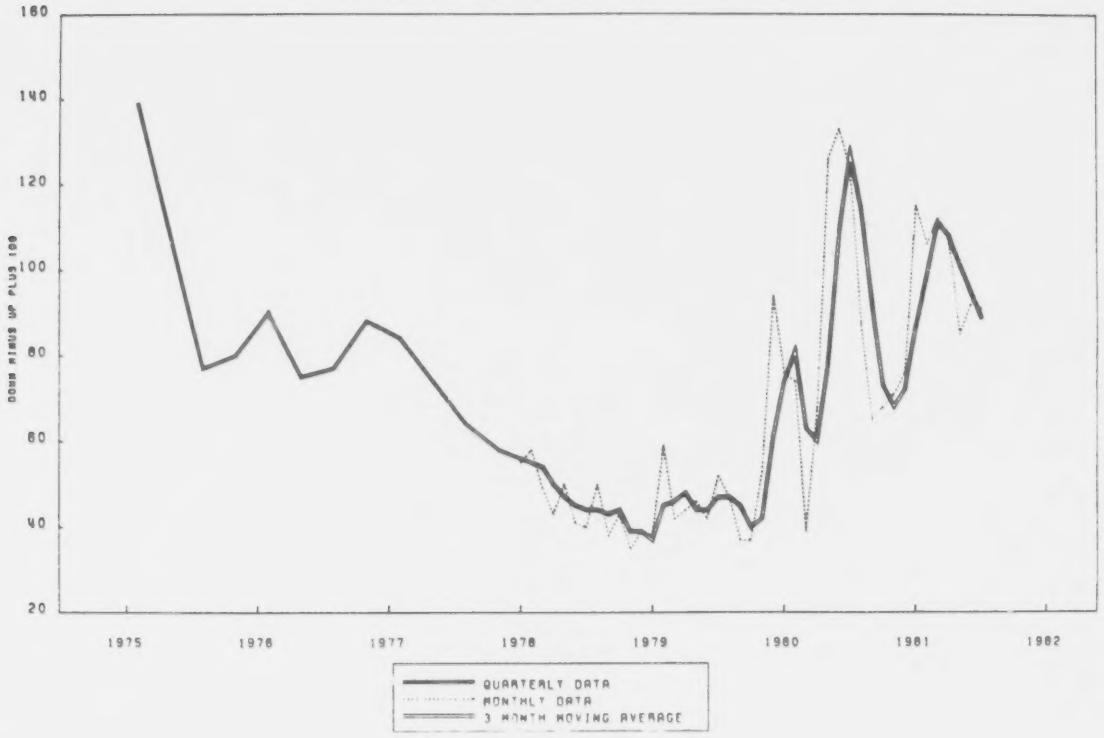


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

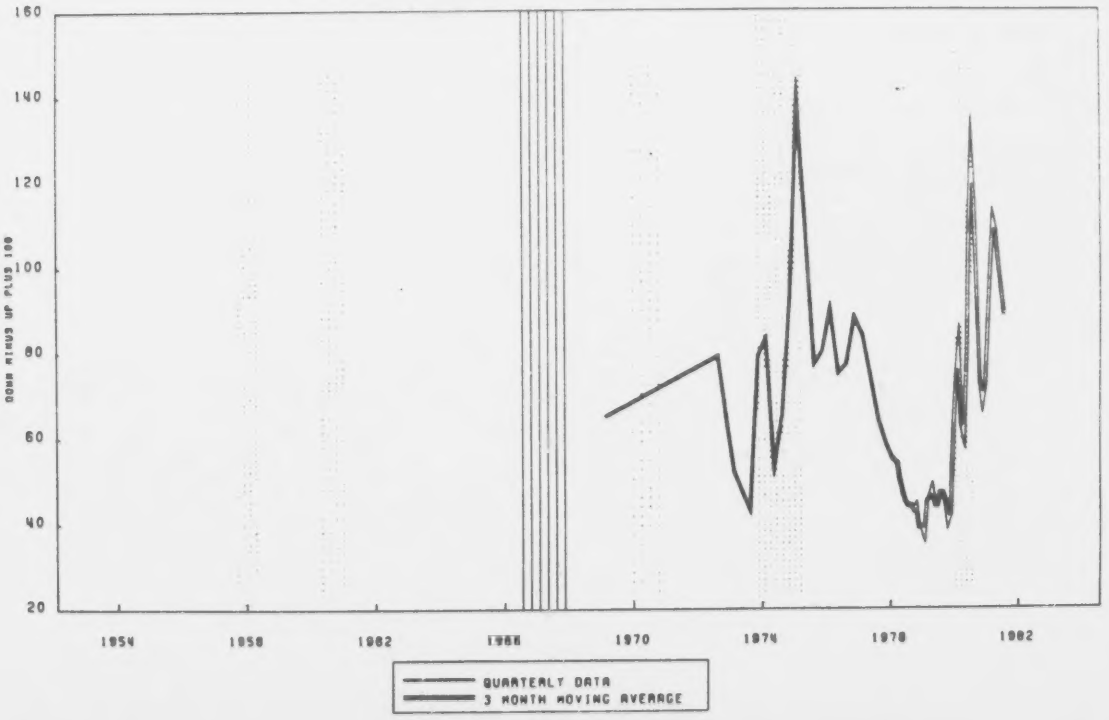


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GO UP	21%	39%	53%	49%	51%	53%	29%	31%	29%	31%	41%	38%	38%
STAY THE SAME	31	30	25	26	22	14	20	24	26	27	30	27	28
GO DOWN	44	26	18	17	22	29	44	37	41	38	26	30	29
DK,NA	4	5	4	8	5	4	7	8	4	4	3	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

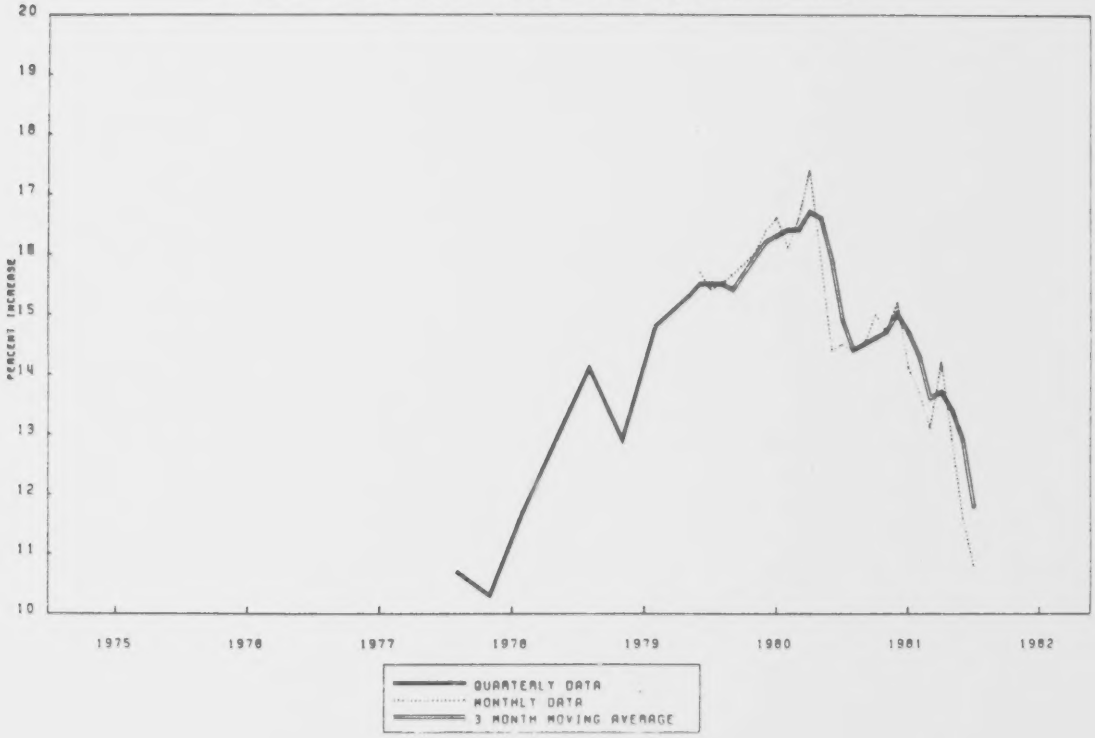


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
SAME OR DOWN	4%	4%	4%	2%	3%	2%	3%	2%	4%	4%	5%	9%	10%
GONE UP BY:													
1-2%	3	2	2	3	2	2	2	3	2	4	2	4	3
3-4%	5	6	5	4	4	3	4	4	4	5	7	6	6
5%	7	8	7	11	7	9	7	8	7	6	8	8	8
6-9%	11	12	9	11	12	9	8	8	10	12	10	10	10
10-14%	22	20	24	23	27	26	31	32	29	26	31	25	23
15% or more	29	32	31	32	29	32	28	25	25	30	27	22	20
DK how much up	18	15	17	14	16	16	17	17	18	13	10	16	20
DK,NA	1	1	1	*	*	*	*	1	1	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	14.5	14.4	14.5	15.0	14.7	15.2	14.1	13.7	13.1	14.2	12.9	11.6	10.8
VARIANCE	168	160	151	169	161	158	130	128	111	156	123	112	104
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

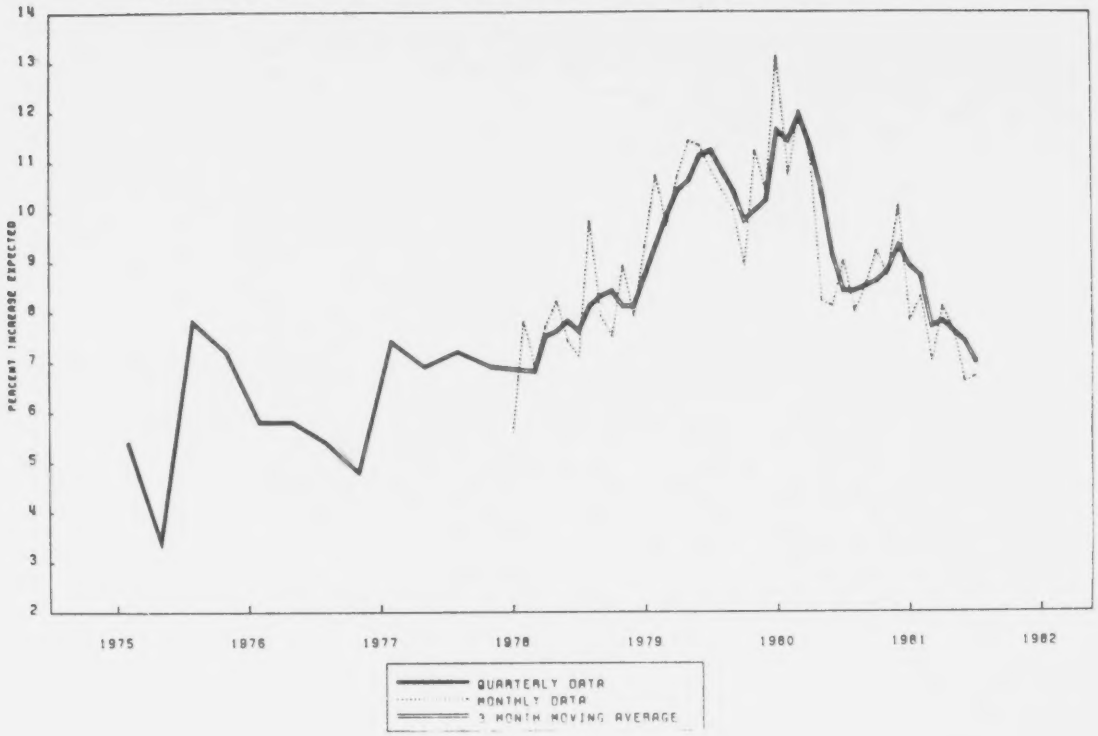


CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

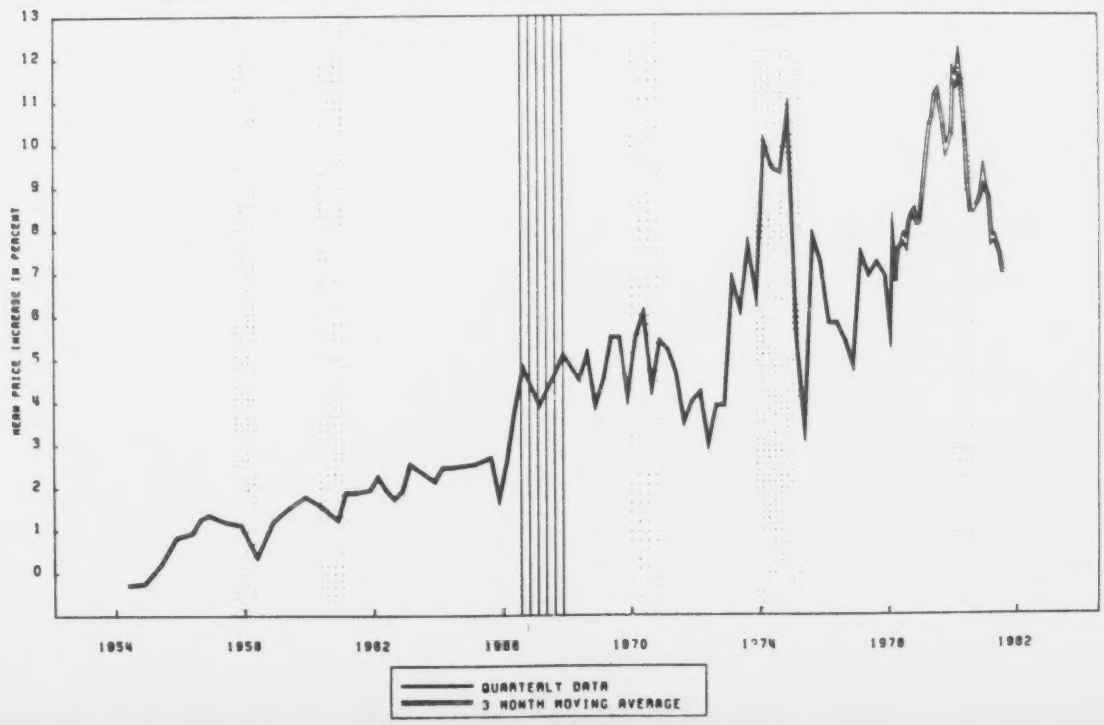


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
SAME OR DOWN	22%	18%	17%	20%	25%	17%	21%	18%	26%	27%	25%	31%	31%
WILL GO UP BY:													
1-2%	3	6	5	3	3	3	3	5	2	4	2	4	2
3-4%	5	7	5	6	5	5	6	9	8	7	8	6	6
5%	8	11	11	10	8	9	7	9	11	9	10	8	10
6-9%	10	12	10	10	12	11	12	12	11	9	13	12	15
10-14%	21	24	23	24	20	25	28	23	20	20	22	21	16
15% or more	15	10	13	16	14	18	9	12	9	14	11	10	10
DK how much up	13	11	13	9	11	10	11	10	11	8	7	7	10
DK,NA	3	1	3	2	2	2	3	2	2	2	2	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	9.0	8.0	8.5	9.2	8.7	10.1	7.8	8.3	7.0	8.1	7.6	6.6	6.7
VARIANCE	95	71	68	100	102	107	54	74	57	97	79	57	71
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

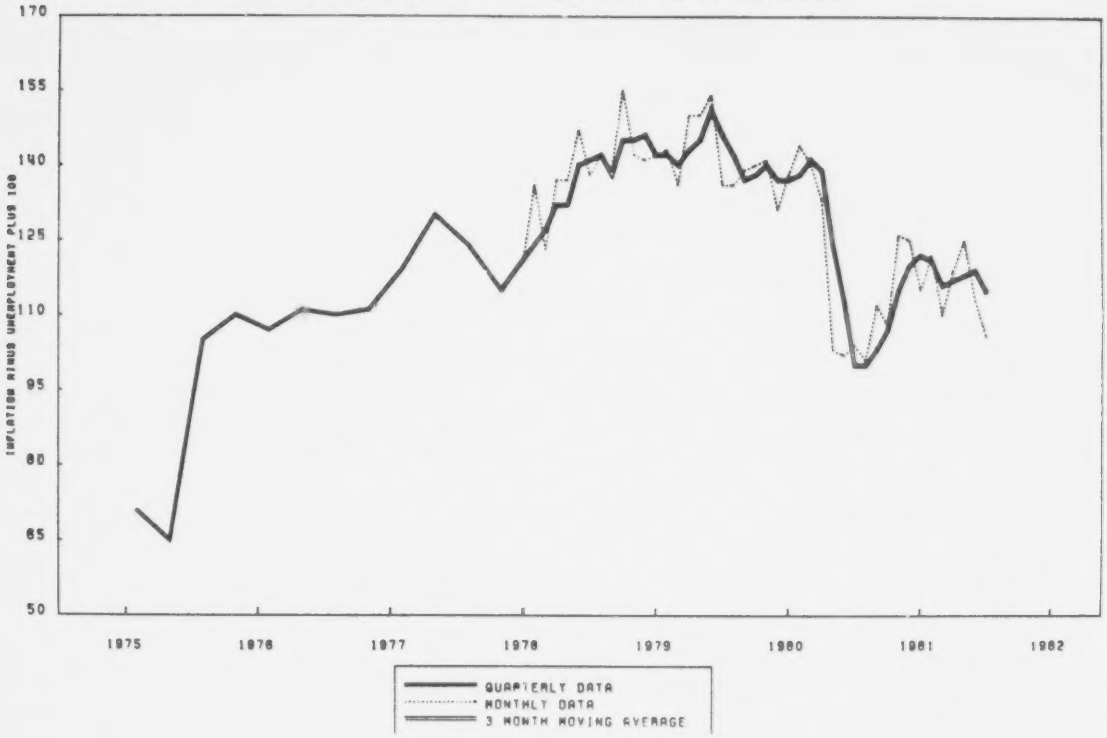


CHART 24 - HISTORICAL SERIES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

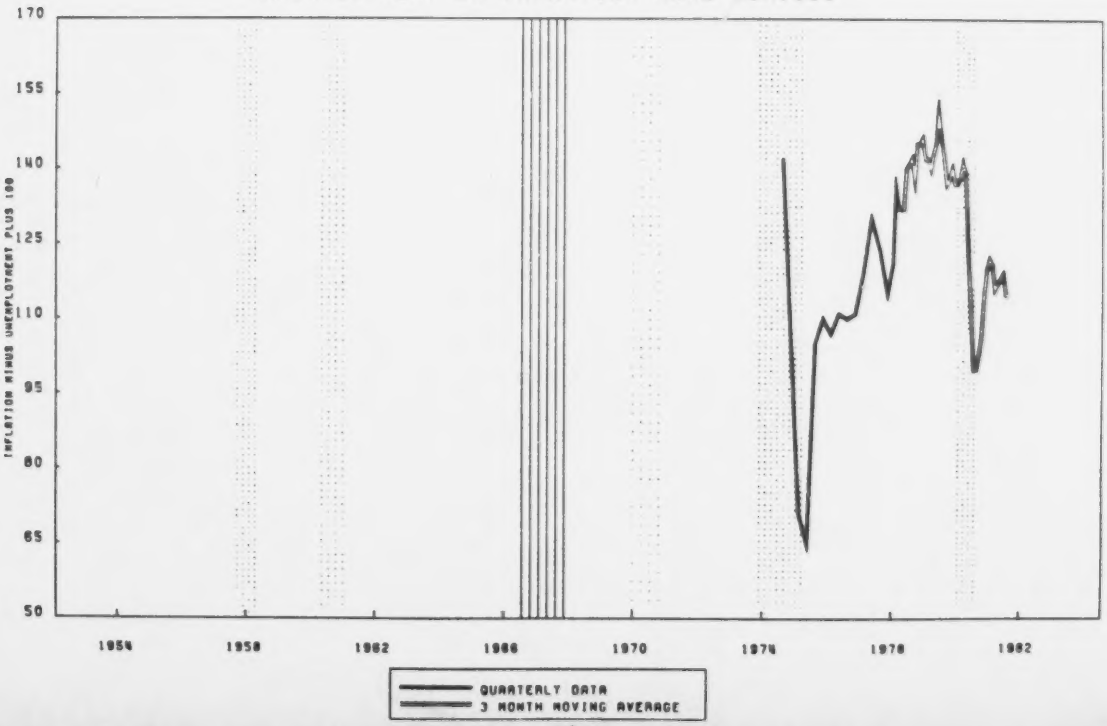


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
UNEMPLOYMENT	45%	43%	38%	40%	31%	32%	34%	34%	39%	35%	33%	36%	42%
BOTH EQUALLY SERIOUS	11	10	9	11	11	9	14	8	11	8	8	14	9
INFLATION	41	44	50	48	57	57	49	56	49	54	58	49	48
DK,NA	3	3	3	1	1	2	3	2	1	3	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

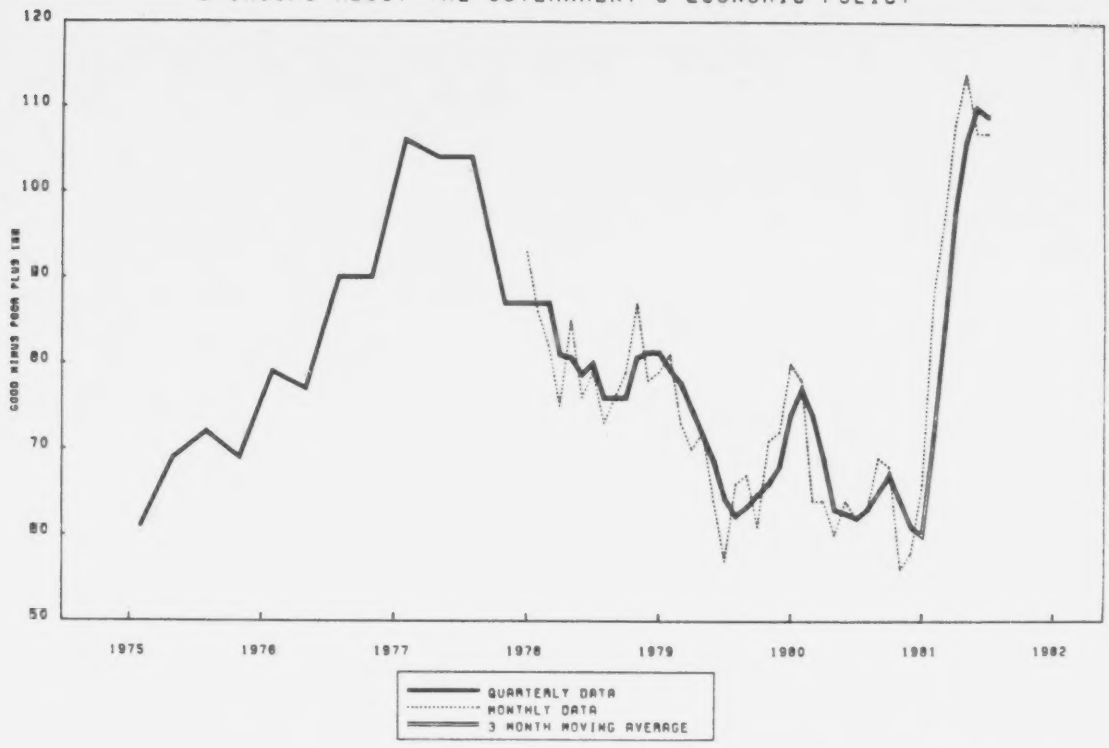


CHART 25 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

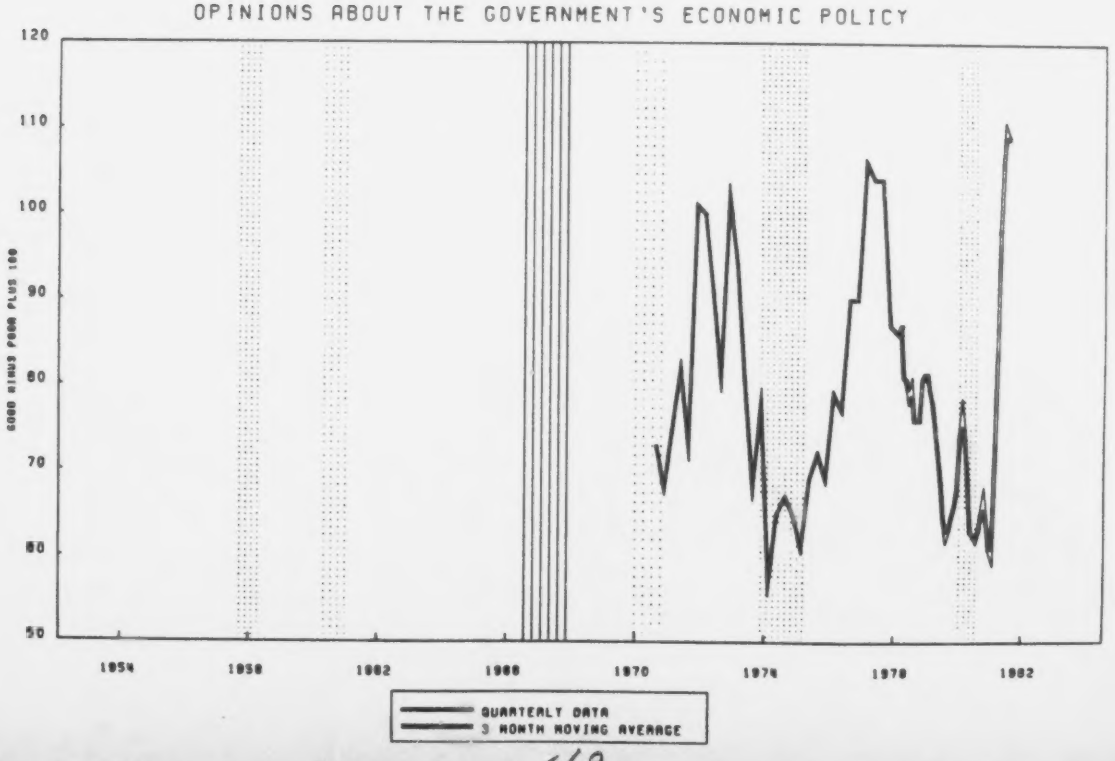


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
A GOOD JOB	9%	8%	10%	8%	6%	7%	10%	19%	22%	28%	30%	25%	28%
ONLY FAIR	41	45	46	50	41	42	42	40	45	47	49	54	47
A POOR JOB	47	45	41	40	50	49	44	31	25	20	16	18	21
DK,NA	3	2	3	2	3	2	4	10	8	5	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

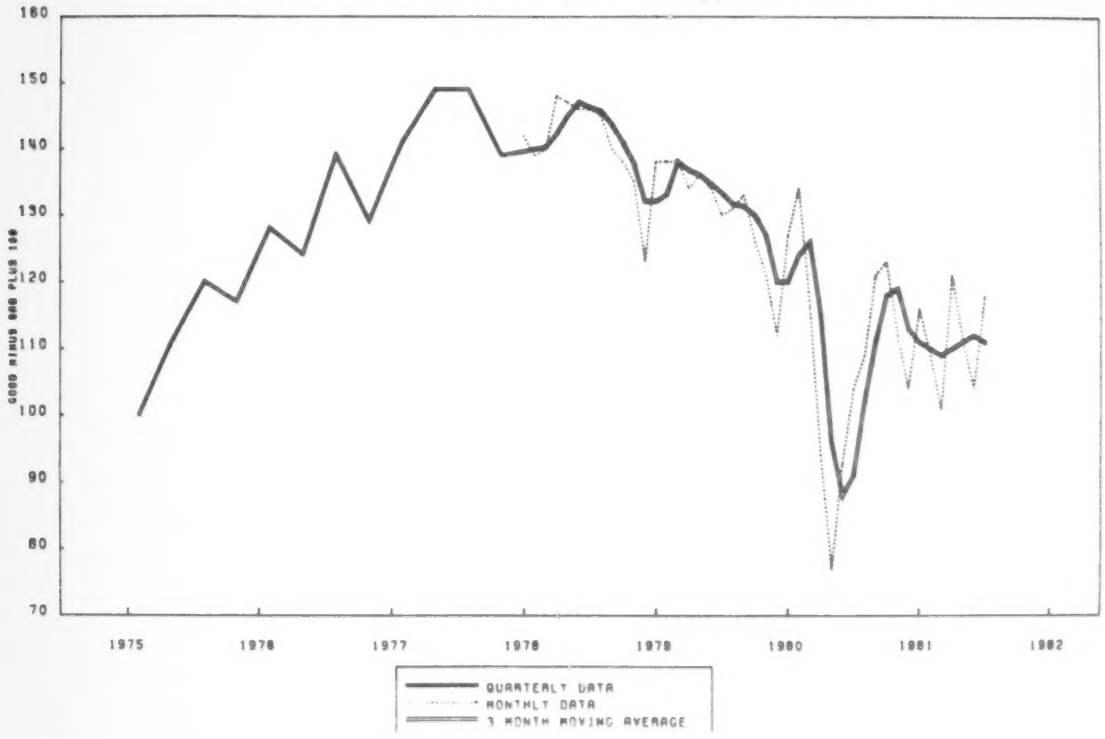


CHART 26 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

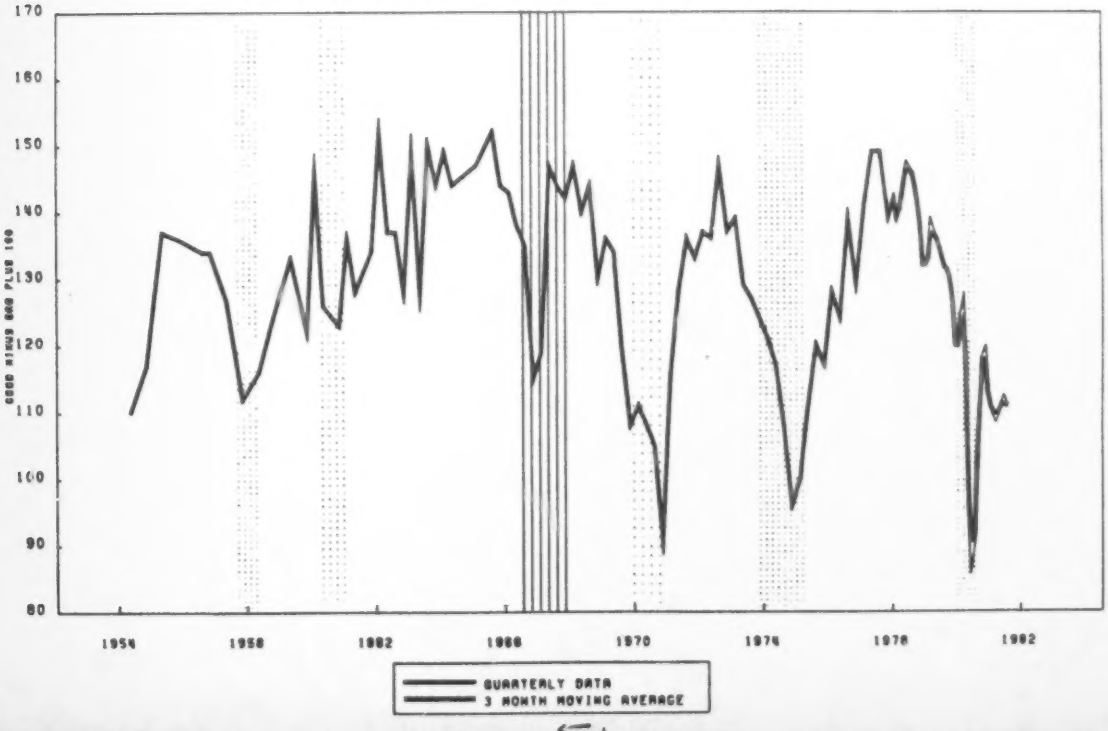


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIME TO BUY	44%	47%	52%	55%	50%	45%	50%	47%	43%	54%	50%	44%	53%
UNCERTAIN, DEPENDS	16	15	17	13	12	14	16	15	15	13	11	16	12
BAD TIME TO BUY	40	38	31	32	38	41	34	38	42	33	39	40	35
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	19%	17%	18%	20%	20%	17%	23%	23%	22%	21%	16%	20%	24%
Prices won't come down; are going higher	22	27	31	30	31	24	28	24	23	31	30	23	27
Interest rates low; credit is easy	5	5	3	4	2	3	2	3	1	2	3	1	2
BAD TIME TO BUY:													
Prices are high	23	23	20	16	23	26	17	24	23	19	25	22	23
Interest rates are high; credit is tight	19	16	13	17	17	22	25	26	22	17	18	23	17
Lack of purchasing power	20	14	12	11	11	11	11	13	16	12	9	13	8

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

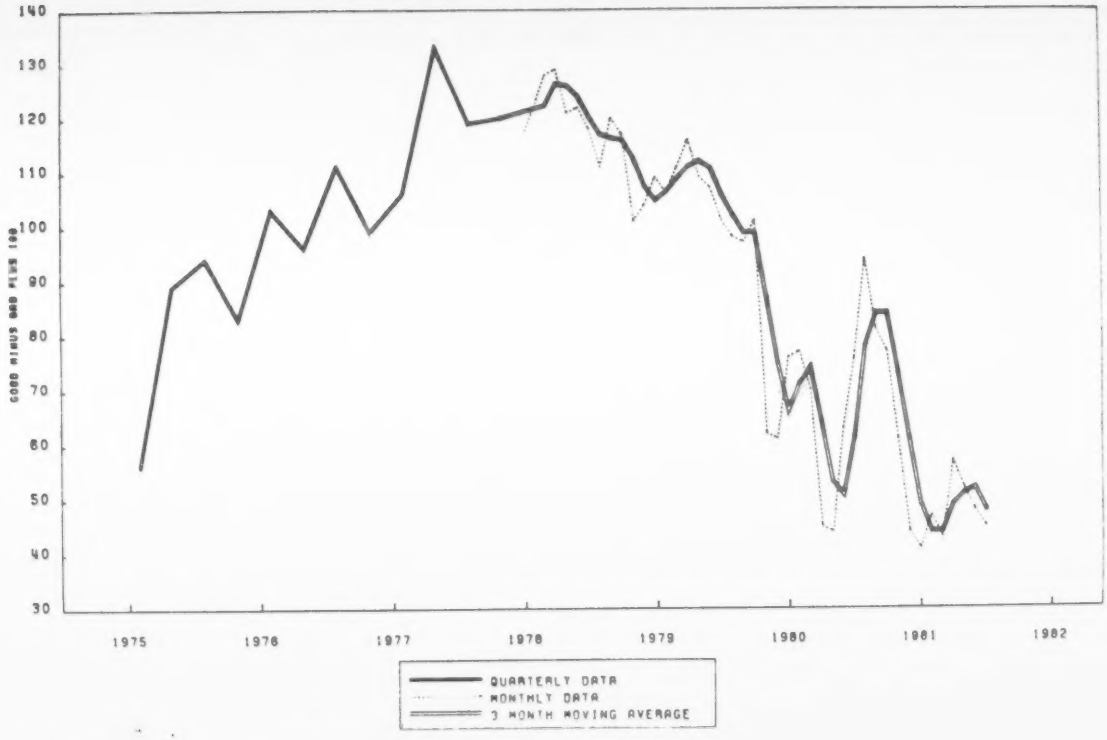


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

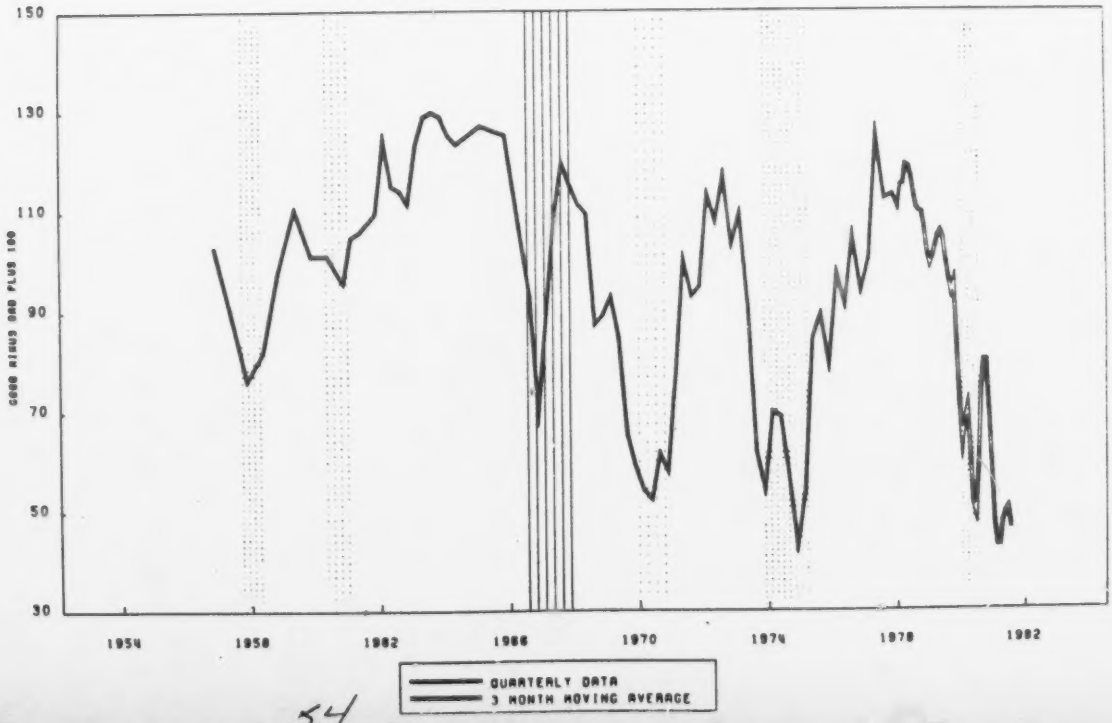


TABLE 28

BUYING CONDITIONS FOR HOUSES

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIME TO BUY	34%	44%	38%	36%	28%	19%	18%	21%	20%	26%	24%	20%	20%
UNCERTAIN, DEPENDS	8	6	5	5	5	6	5	5	3	5	4	8	5
BAD TIME TO BUY	58	30	57	59	67	75	77	74	77	69	72	72	75
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	9%	9%	7%	4%	4%	4%	3%	5%	4%	5%	5%	5%	5%
Prices won't come down; are going higher	12	14	17	17	16	10	12	10	9	12	10	10	10
Interest rates low; credit is easy	23	28	22	16	10	6	4	7	5	9	7	5	6
Good investment	6	10	9	8	7	6	7	10	7	8	6	6	7
BAD TIME TO BUY:													
Prices are high	30	26	29	27	28	28	32	31	32	30	28	30	30
Interest rates are high; credit is tight	53	41	50	56	66	77	76	73	76	66	71	71	71
Lack of purchasing power	15	12	11	12	11	12	10	14	13	12	11	13	12

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

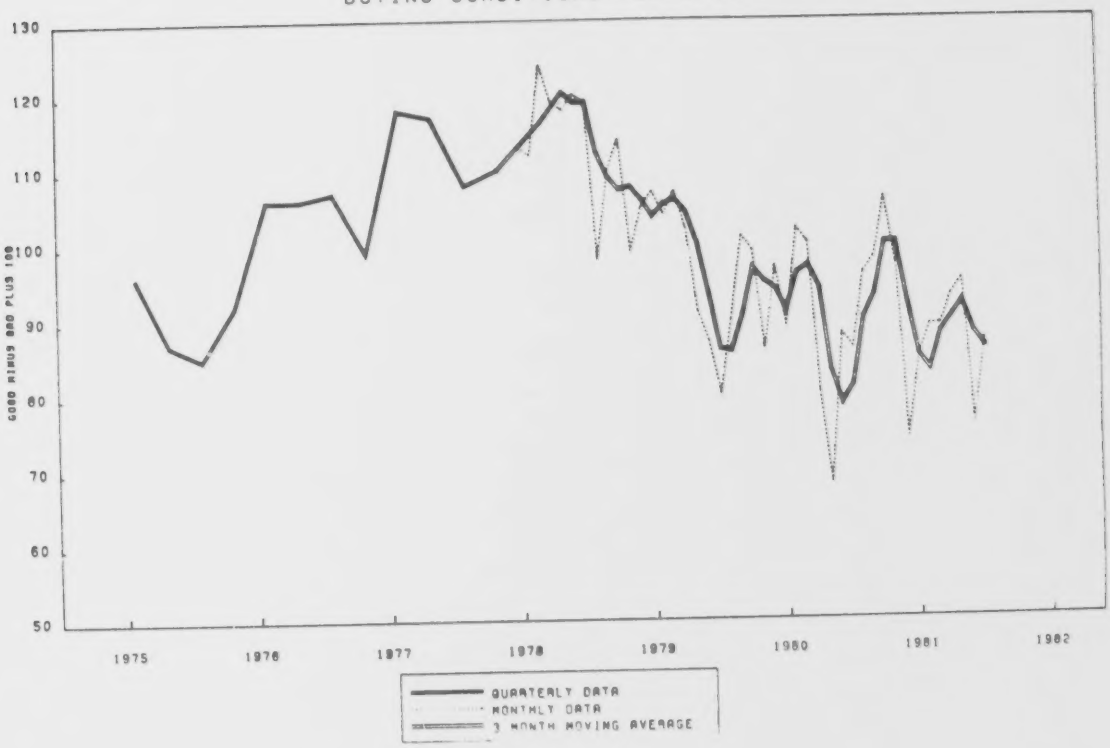


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

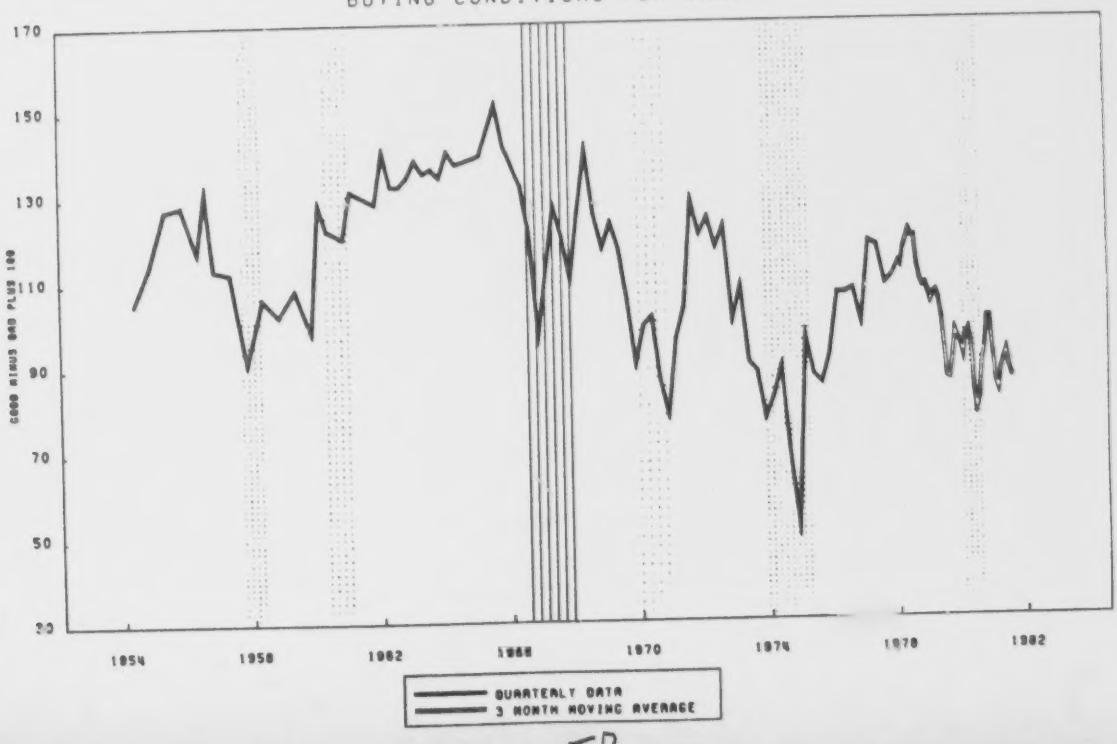


TABLE 30

BUYING CONDITIONS FOR CARS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIME TO BUY	36%	42%	42%	45%	41%	33%	36%	39%	39%	42%	44%	33%	40%
UNCERTAIN; DEPENDS	14	12	14	16	15	8	13	11	11	9	7	10	7
BAD TIME TO BUY	50	46	44	39	44	59	51	50	50	49	49	57	53
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	25%	24%	20%	17%	17%	13%	18%	22%	30%	25%	23%	14%	17%
Prices won't come down; are going higher	13	12	19	17	16	12	13	12	10	19	15	12	18
Interest rates low; credit is easy	4	4	4	3	3	4	5	3	2	3	4	2	3
New fuel efficient models	3	7	9	12	7	5	4	4	6	4	5	5	5
BAD TIME TO BUY:													
Prices are high	27	27	31	23	28	31	33	31	34	31	33	34	33
Interest rates are high; credit is tight	11	11	10	14	17	29	28	27	21	22	17	28	25
Lack of purchasing power	9	9	6	8	7	9	7	7	10	8	6	6	6
Price of gas; shortages	6	5	5	4	4	5	4	8	6	5	3	2	3
Poor selection; quality	13	13	11	13	10	12	9	9	9	8	10	9	11

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
PROBABLY WILL BUY	17%	16%	16%	15%	17%	14%	15%	16%	14%	15%	17%	17%	14%
CHANCES ARE EVEN	5	7	6	7	6	6	8	7	6	8	9	8	7
PROBABLY WILL NOT BUY	67	61	70	67	66	67	66	62	67	65	63	66	64
DK,NA	11	16	8	11	11	13	11	15	13	12	11	9	15
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	668	658	682	685	694	684	698	668	703	690	667	675	694

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	22%	23%	22%	22%	23%	20%	23%	23%	20%	23%	26%	25%	21%
PURCHASE TYPE:													
Buy new	10	8	11	12	11	8	11	10	9	11	11	10	9
Buy used	11	12	9	7	9	9	8	10	9	10	12	11	9
Lease	1	1	1	2	*	1	1	1	1	1	1	2	2
DK,NA	*	2	1	1	3	2	3	2	1	1	2	2	1
PURCHASE TIMING:													
Next 3 months	5	3	1	3	4	2	3	1	1	5	5	2	5
Next 4-6 months	5	5	6	4	3	3	5	6	4	8	5	7	6
Next 7-9 months	3	4	2	7	6	5	6	7	5	5	7	7	2
10 months or more	4	4	4	4	4	5	4	3	5	2	3	5	3
DK,NA	5	7	9	4	6	5	5	6	5	3	6	4	5

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

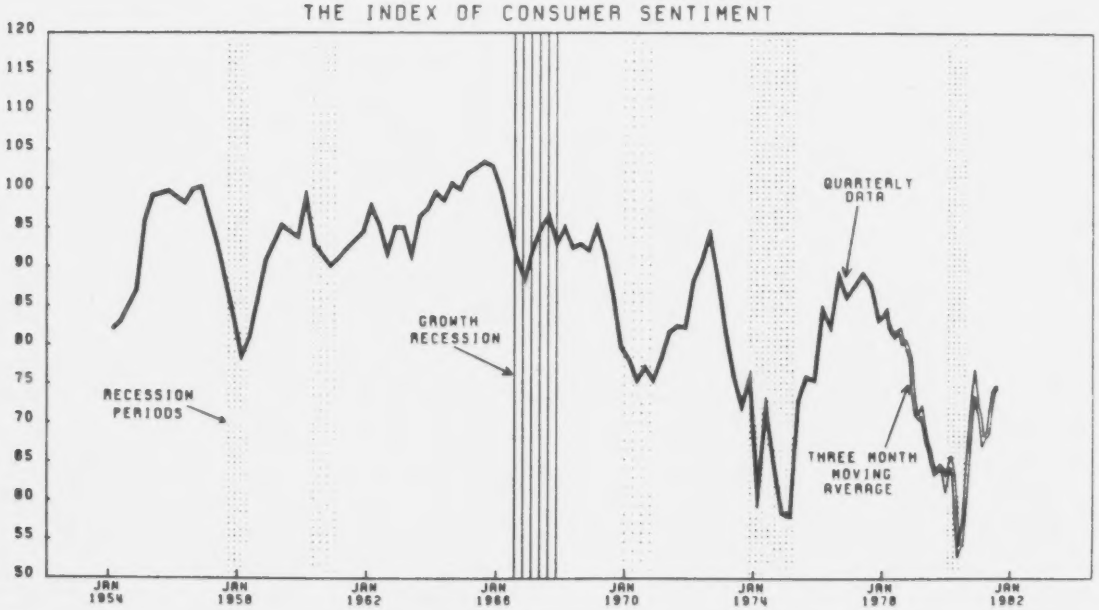
	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	67%	61%	70%	67%	66%	67%	66%	62%	67%	65%	63%	66%	64%
PURCHASE TYPE:													
Would buy new	40	35	38	44	38	37	35	33	34	39	37	37	35
Would buy used	24	24	30	20	26	27	29	28	28	24	25	27	27
DK,NA	3	2	2	3	2	3	2	1	5	2	1	2	2
PURCHASE TIMING:													
Less than 2 years	4	6	5	5	6	7	6	5	6	9	6	5	4
2 years	20	18	23	20	23	20	17	23	23	19	22	20	19
3 years	10	8	12	15	11	12	12	9	9	9	10	11	11
4 years or more	21	21	18	15	15	18	19	16	19	22	15	20	18
Indefinite	4	4	4	3	5	3	5	3	3	3	4	5	5
DK,NA	8	4	8	9	6	7	7	6	7	3	6	5	7

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



Note: Tic marks are January months.

Chart Lines

QUARTERLY DATA: points plotted are data collected by surveys done at 3 month intervals (quarters) before 1978.

MONTHLY DATA: points plotted are data collected by surveys done each month since January of 1978.

3 MONTH MOVING AVERAGE: each point plotted represents the mean average of 3 monthly observations ending at the date plotted.

NBER RECESSION PERIODS

November	1948	- October	1949
July	1953	- May	1954
August	1957	- April	1958
April	1960	- February	1961
December	1969	- November	1970
November	1973	- March	1975
January	1980	- July	1980

GROWTH RECESSION PERIOD

June 1966 - November 1967

RECESSION PERIOD: briefly, an actual reduction in the national output of goods and services (generally declared after lasting at least 2 quarters).

GROWTH RECESSION: briefly, retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stages of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

[a]The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b]Average size of monthly surveys.

[c]Average size of two monthly surveys.

[d]Average size of three monthly surveys (one quarter).

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July 31, 1981

JULY 1981 MONTHLY SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

INTEREST RATES CLOUD OPTIMISM

** In the July 1981 survey, the Index of Consumer Sentiment was 74.1, just 1 Index point above the June reading, and 11.8 Index points above the year-earlier reading. The small overall improvement masked larger and offsetting shifts in consumer attitudes and expectations. Consumer evaluations of their current personal financial situation posted significant improvement in the July 1981 survey, while the outlook for future business conditions became somewhat less favorable.

** Among families with incomes of $25,000 or more, the Index was 82.1 in July, down slightly from 82.9 in June, but up nearly 15 Index points from the year-earlier reading. The small overall increase in the Index reflects both slight improvements in sentiment among lower income families and slight deterioration among the higher income groups. Respondents in the Western region recorded a relatively larger monthly increase (4.3 Index points), while consumer sentiment among respondents over age 55 declined by 2 Index points in the July 1981 survey.

** Underlying these cross-currents in consumer evaluations were shifts in expectations concerning prices, interest rates, and uenmployment. The significant recent decline in price expectations has been the major factor behind improved personal and business expectations. In contrast, 8 in 10 respondents still expected unemployment to remain at its current high level or increase in the year ahead, and 2 in 3 respondents expected interest rates to remain at their current high levels or further increase. In addition, concern with high interest rates has kept consumer buying attitudes near record unfavorable levels.

** Small improvements in favorable attitudes toward buying conditions for household durables and autos were recorded in the July survey, while attitudes toward the housing market remained near all-time low levels. Fewer mentions of high interest rates and high prices contributed to the small improvement in attitudes toward the auto and durables markets, while high interest rates remained the dominant unfavorable force in the housing market.

* * *

Declines in inflation, both in current and in expected rates, have led to more favorable evaluations of personal as well as business conditions. The optimistic prospects for improvement in the economy, however, have been somewhat muted in recent months due to continued concern with high interest and unemployment rates. Although improvement is still expected, the expected pace or extent of change has slowed. Buying attitudes remain near record low levels, dominated by concerns with high interest rates. Discretionary consumer expenditures can be expected to remain at low levels through the balance of 1981, with sustained increases in sales dependent on declines in interest rates. Continued declines in inflation coupled with the federal tax cut will also play an important role in building a sustained recovery in 1982.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Personal Finances Improve With Declines in Inflation

When asked whether their personal financial situation had improved or deteriorated during the past year, families more frequently mentioned improvement in the July survey (34 percent) compared to one month earlier (29 percent), and one year earlier (30 percent). The proportion that reported their financial situation had worsened fell to 35 percent in July 1981, from 40 percent in both the June 1981 and July 1980 surveys. The major reason for this improvement in personal financial attitudes is the recent decline in the rate of inflation. When asked to explain how their situation had improved or worsened, 30 percent of all families mentioned that higher prices had made them worse off, down in frequency from 34 percent in June and 46 percent in January 1981.

Changes in reports of current inflation rates have traced a significant decline in recent months. In the July 1981 survey, consumers reported that the prices of the things they bought had increased by 10.8% during the past year, down from 14.5% in July 1980. Since April 1981, when the reported current inflation rate was 14.2%, the estimates have fallen about 1 percentage point per month.

On balance, consumers' expectations for improvement in their personal finances during the year ahead remain unchanged from month-earlier readings, at a much improved level over first quarter 1981. In the July 1981 survey, 29 percent of all families expected improvement in their personal finances, down from 32 percent in June; at the same time, the proportion that expected their financial situation to worsen fell to 15 percent in July 1981, from 19 percent in June. The small decline in favorable financial expectations can be attributed to somewhat less favorable nominal income expectations. From June to July 1981, the proportion of all families that expected that their nominal family income would remain unchanged or decline rose from 32 to 37 percent.

Business Conditions

By mid- 1981, more respondents reported that they did not hear of any recent changes in business conditions (51 percent) than one year earlier (30 percent). Among the half of respondents who did report hearing news of changes, unfavorable rather than favorable news items dominated by a margin of nearly two-to-one in the July 1981 survey. Compared with a year ago, reports of increases in unemployment have declined significantly, falling from 43 percent to 16 percent in July 1981, but nonetheless remained the most frequently reported news item.

Evaluations of current business conditions recorded a moderate improvement in the July 1981 survey. Among all families, 32 percent reported that business conditions improved during the past year, just above the 31 percent recorded in June, but substantially above the 10 percent recorded in July 1980. Reports that business conditions worsened during the past year were made by 47 percent of all families in July 1981, significantly below the 85 percent recorded a year earlier.

While the outlook for future business conditions improved dramatically during the last half of 1980, it has remained largely unchanged since then. When asked why they expected business conditions to improve or worsen during the year ahead, fewer respondents in the July 1981 survey spontaneously mentioned that they expected favorable changes in government policy to help improve business conditions. In January of 1981, when President Reagan took office, one-third of all families spontaneously mentioned favorable changes in government economic policies. From January through April 1981, the proportion of respondents who made such references ranged from 31 to 35 percent, but since then has declined to 25 percent in both May and June, and 21 percent in the July 1981 survey. At the same time, moreover, there has been a slight increase in the proportion of respondents who made unfavorable references to government economic policies when asked why they thought business conditions would deteriorate. From January through May of 1981 the proportion who unfavorably referred to government economic policies ranged from 7 to 9 percent, and rose to the 11-12 percent range in the June and July 1981 surveys. Since the beginning of the year, the net difference between the proportion that favorably referred to government policies and the proportion that unfavorably referred to the same policies declined from 28 to 10 percent. Fewer mentions of inflation in the May to July surveys have offset the shift in government policy mentions to maintain the overall outlook at the much improved level of the past six months.

Confidence in government economic policy to combat inflation and unemployment remained unchanged, on balance, from the month earlier reading. In the July 1981 survey, 28 percent thought the government was doing a good job, up from 25 percent in June. The proportion who rated policy as poor, however, also increased to 21 percent in July 1981 from 18 percent in June. Overall, confidence in government economic policy remains at greatly improved levels.

Price Expectations Moderate, Interest Rates and Unemployment Remain High

Consumers expected the annual rate of inflation during the year ahead to average 6.7% in the July 1981 survey, largely unchanged from the 6.6% recorded a